11/16/87 A2500-2

Paper
Paperboard
& Wood Pulp

MONTHLY STATISTICAL SUMMARY - Vol. 65 - No. 10 OCTOBER 1987

PAPER AND PAPERBOARD: STILL CLIMBING

The trend of paper and paperboard production appears to have been in a steady upward trend throughout the first three quarters of 1987. The rate of production in the third quarter of 1987 was at a record-high rate of 74.4 million tons per year. The rate for the entire January-September period was 73.7 million tons per year, 5.1% above the corresponding 1986 total. Weekly data presently available for the first two weeks of October indicate a continuation of the upward trend.

As these data show, prior to the stock-market break of late October there was no indication of any weakness in the demand for paper and paperboard. The impact of that break on the paper industry will depend upon its impact on the trend of total economic activity.

The major growth sectors of the paper industry are all closely tied in with the business of the nation. In the paper sector, the strongest trends in 1987 have been centered on the printing and writing paper grades. For example, in the first nine months of 1987 shipments of coated papers were 10.3% above their year-ago level and 9% above the previous high established in 1984. Commercial printers, in particular, have greatly stepped up their purchases of coated papers from domestic producers, while shipments to other major users, such as magazines, other periodicals and label and wrap manufacturers have also increased, but at a lower rate. The strength in demand for coated papers is also reflected in the trend of imports: the August total 70,000 tons was a record high, which brought the rate for the January-August period to over 600,000 tons per year for a gain of 29% over its year-ago level.

Demand for uncoated free sheet papers was also strong during 1987, with the nine-month rate of 10.9 million tons per year, 5.0% above the year-ago total. The driving forces for these grades in recent years include demand for office copy papers and business forms. Demand for copy and other cut size papers has been quite strong, and while demand by business forms converters has shown only modest growth in 1987, the continued growth in the number of personal computers in operation point to continued strength in demand for this grade of paper.

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The underlying forces in demand for both these grades is the trend of business in the nation, including both print advertising in its many forms and the conduct of business itself.

Industrial production makes its impact on paper demand largely through its packaging requirements. The corrugating container is the major shipping container used in the United States. Shipments of these boxes continue to run at record levels: The January-September 1987 seasonally adjusted rate was 296 billion sq. ft. per year, while the third quarter 1987 rate moved above 300 billion sq. ft. per year. The actual nine-month total was 4.8% above its year-ago level.

The strength in demand for these boxes was reflected in the containerboard grades: production of kraft linerboard, at a record-high 17.5 million tons per year was 7.8% above its year-ago level; semichemical paperboard, also at a record high, was up 4.9%. Production of kraft linerboard for export showed a modest gain of 3%, indicating that most of the output gain reflected strength in the domestic market. Inventories of containerboard at boxplants and mills as of the end of September were only about 200,000 tons above their year-ago level, with the total equivalent to a modest 5.3 weeks of supply.

WOOD PULP AND OTHER FIBROUS RAW MATERIALS

Market pulp production also maintained a strong upward trend during the first nine months of 1987. At an annual rate of 6.8 million tons, production of paper grade chemical market wood pulp was 8.2% above its year-ago total. Exports increased by about 6%, shipments to the domestic market 2%. The higher gain in production of all paper grade chemical wood pulp reflected the sharp decline in mill inventories in 1986, which reduced the 1986 production total.

The demand trend generally outpaced production during 1987, and the inventories declined. For example, in terms of days of supply,
inventories of paper grade market pulp average 16 days in the first nine months of 1987 compared to 21 in the comparable 1986 period and 36 in 1985.

Total wood pulp production also followed a strong upward trend. The January-August production total of all wood pulp was 4.6% above its year-ago level; paper grade chemical pulp was up by 5.1%

Consumption of fibrous raw materials at paper and paperboard mills showed similar trends, with wood pulp gaining 4.2% and waste paper up 5.1% over respective year-ago levels during this January-August period.

SALES AND EARNINGS

Data for 21 paper and allied products companies show a strong upward trend in both sales and earnings for these companies. Third quarter 1987 sales, for example, were 23% above their year-ago total; third quarter 1987 profits gained 64%. The profit gain boosted the after-tax earnings/sales ratio to a

Continued on Page 11

PAPER AND PAPERBOARD STATISTICS

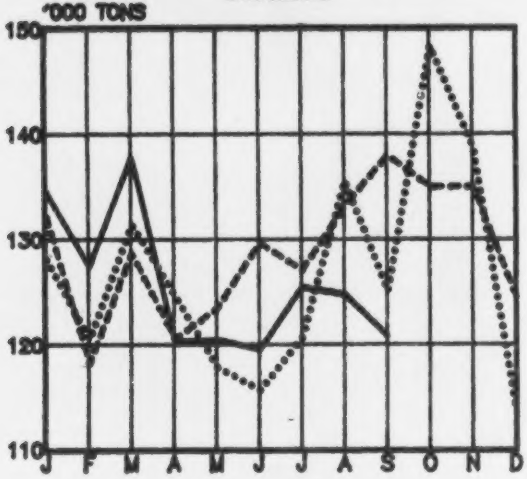
PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

	YEAR		JUNE 1987	JULY 1987 (P)	AUGUST 1987 (P)	SEPTEMBER 1987 (P)	Annual Rate Y-T-D 1987	% Change From same Period Last Year
	1985	1986						
PAPER								
Newsprint - Production	5,428	5,630	490	502	498	494	5.803	3.2
- Shipments	5,431	5,638	497	498	495	498	5,813	3.7
Printing & Writing Sum (R)	18,423	19,601	1,712	1,754	1,792	1,760	20,549	5.8
Groundwood Paper - Shipments (R)	1,521	1.540	120	132	127	126	1,526	0.2
- New Orders (R)	1,477	1,553	126	132	135	134	1.543	-0.5
-Unfilled Orders (R)	106	124	124	125	135	147	147	12.7
Coated Papers - Shipments (R)	5,875	6,263	569	584	597	591	6,784	10.3
- New Orders (R)	5,642	6,334	651	623	632	568	7,028	11.3
Unfilled Orders (R)	393	469	604	647	685	673	673	30.2
Unctd Free Sheet - Shipments (R)	9,690	10,410	915	928	951	926	10,863	5.0
- New Orders (R)	9,704	10,485	923	945	997	941	10,935	4.1
- Unfilled Orders (R)	509	587	560	579	629	660	660	7.2
Thin Papers - Shipments	262	247	18	17	17	19	228	-8.9
Cotton Fiber Paper - Shipments	144	152	15	12	13	14	162	6.9
Bleached Bristols - Production	930	990	76	82	86	84	986	-0.8
Tissue Paper - Production	4,941	5,095	439	434	454	436	5,253	3.8
Total Packaging & Other Paper	5,204	5,117	407	392	417	413	5,034	-1.6
Unbl. Kraft Paper - Shipments	3,403	3,303	247	244	250	254	3,076	-7.8
Other Paper - Production	1,801	1,814	160	148	166	159	1,957	10.0
TOTAL PAPER-Production-Unadj.	33,996	35,443	3,048	3,081	3.161	3,103	36,640	4.0
Production-S.A.			3,052	3,056	3,060	3,064	36,530	4.0
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	25,404	27,336	2,386	2,493	2,548	2,430	28.929	6.3
Total Unbl. Kraft Paperboard	16,368	17,689	1,573	1,650	1,670	1,612	18,871	7.3
Unbl. Kraft Linerboard (1)	15,183	16,402	1,454	1,519	1,558	1,521	17.531	7.8
Production for Export	1,830	2,246	187	227	221	186	2,316	3.0
Other Unbl. Kraft Paperboard	1,184	1,287	119	131	112	92	1,340	0.5
Semichemical Paperboard	5,088	5,376	466	471	481	470	5,631	4.9
Production for Export	189	213	19	16	11	14	200	-0.8
Solid Bleached Paperboard	3,948	4,271	347	372	397	348	4,426	3.9
Production for Export	466	569	37	44	46	47	572	1.3
Recycled Paperboard	7,630	8,083	706	664	752	705	8,523	5.5
Production for Export	26	70	5	12	5	5	54	-21.0
TOTAL PAPERBOARD-Prod.-Unadj.	33,034	35,419	3,092	3,157	3,300	3,135	37,452	6.1
- Containerboard Prod.(Dom. Use)	20,042	21,426	1,900	1,935	2,004	1,976	22,895	7.7
- Boxboard Prod.(Dom. Use) (2)	5,673	5,903	490	498	559	492	6,147	3.9
- All Other P'bd Prod.(D.U.) (2)	4,808	4,992	454	425	453	416	5,268	4.4
- Total Paperbd Prod. for Export	2,511	3,097	248	298	283	251	3,142	1.9
TOTAL PAPERBOARD PROD.- S.A.			3,116	3,128	3,140	3,153	37,207	6.1
TOTAL PAPER AND PAPERBOARD								
Production - actual	67,030	70,861	6,140	6,238	6,461	6,238	74,091	5.1
Production - S.A.			6,168	6,184	6,200	6,216	73,736	5.1

(1)Includes all exports of kraft paperboard. R - Revised P - Preliminary S.A. - Seasonally Adjusted
(2)Data for unbl. kraft folding boxboard incl. in All Other P'bd18600.76157 74403.04630

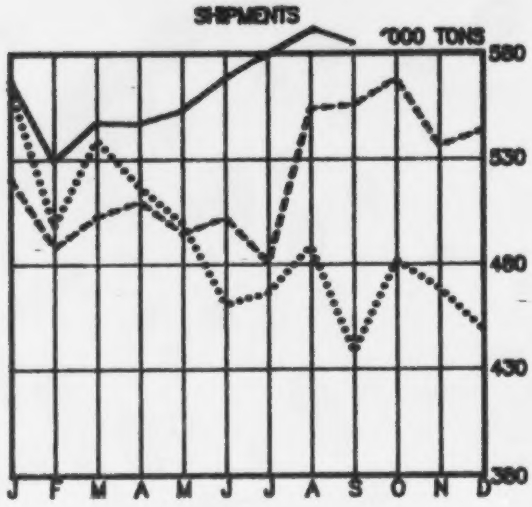
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



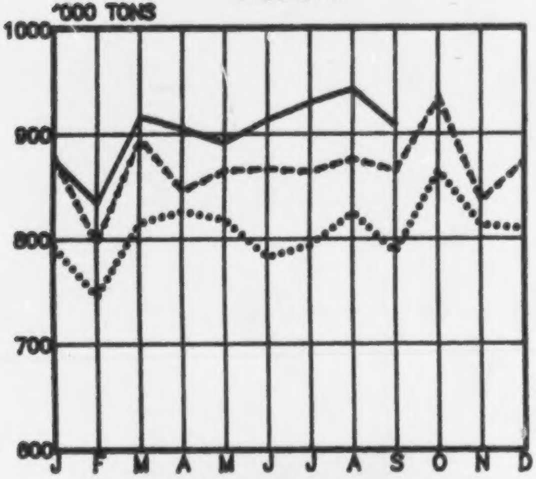
COATED PAPER

SHIPMENTS



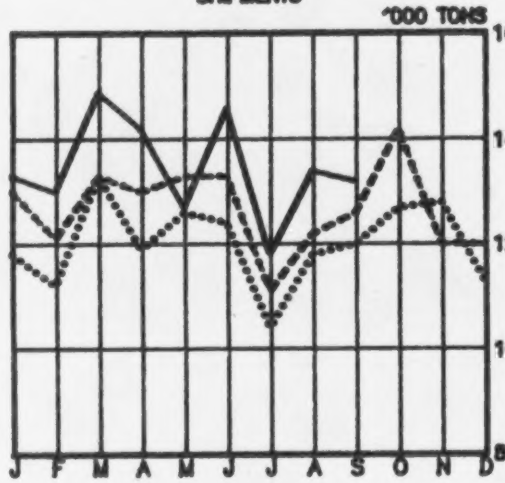
UNCOATED FREE SHEET PAPERS

SHIPMENTS



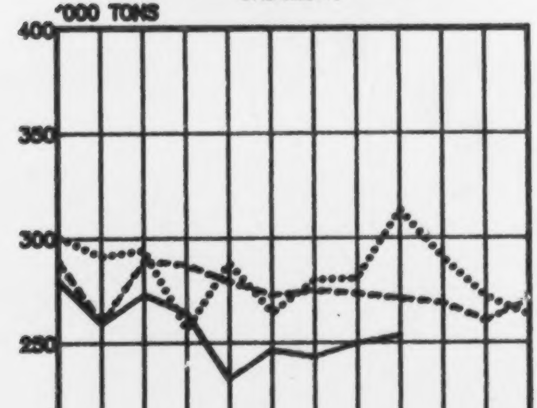
COTTON FIBER PAPER

SHIPMENTS



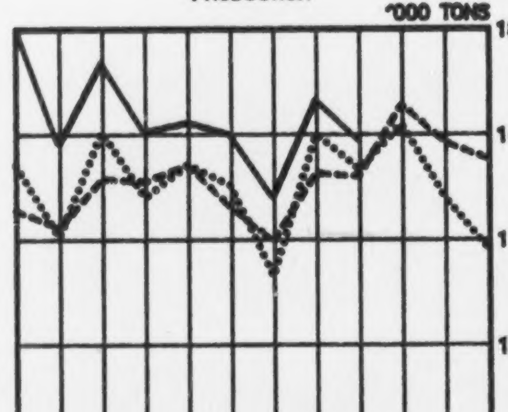
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1985 ········· 1986 – – – – 1987 ———

WOOD PULP STATISTICS
(Thousands of Tons)

		YEAR 1985	YEAR 1986	MAY 1987	JUNE 1987	JULY 1987	AUGUST 1987	Annual Rate Y-T-D 1987	% Change from same Period Last Year
TOTAL WOOD PULP						R	P		
Total Wood Pulp	- Production	54,147	57,017	4,900	4,971	5,111	5,083	59,438	4.6
	- Imports	4,466	4,582	388	390	401	380	4,825	4.8
	- Exports	3,791	4,458	377	455	463	390	4,835	9.3
	New Supply	54,821	57,140	4,911	4,906	5,049	5,073	59,427	4.2
Dissolving Pulp	- Production	1,174	1,258	99	113	123	102	1,298	3.1
	- Imports	175	255	13	21	11	22	214	-16.5
	- Exports	631	711	52	62	65	62	752	12.0
	New Supply	718	801	60	72	69	62	761	-10.0
Paper Grades Chemical Pulp	- Production	43,696	46,081	3,981	4,035	4,141	4,162	48,273	5.1
	Imports	4,104	4,220	365	354	367	349	4,449	5.2
	- Exports	3,131	3,689	323	391	396	326	4,059	10.6
	New Supply	44,668	46,612	4,023	3,998	4,111	4,186	48,663	4.7
Groundwood and Thermo-Mech.	- Production	5,251	5,487	470	468	484	487	5,625	2.9
	- Imports	187	108	10	14	23	8	161	38.2
	- Exports	29	59	2	1	2	2	24	-59.5
	New Supply	5,409	5,536	477	481	506	493	5,761	4.3
Semi-Chemical	- Production	4,027	4,191	351	355	364	333	4,243	1.3
	- Imports								
	- Exports								
	- New Supply	4,027	4,191	351	355	364	333	4,243	1.3
MARKET WOOD PULP									
Total Market Wood Pulp	- Production	6,800	7,583	637	693	729	707	8,077	7.2
	- Imports	2,791	3,046	224	263	264	252	2,976	-3.7
	- Exports	3,784	4,470	388	442	439	369	4,680	5.3
	- New Supply	5,807	6,161	473	514	554	589	6,373	3.2
Dissolving Pulp	- Production	1,172	1,251	99	113	123	102	1,293	3.4
	- Imports	174	212	7	17	6	19	162	-24.7
	Exports	667	718	64	74	65	54	746	7.1
	- New Supply	679	745	42	56	63	66	709	-7.9
Paper Grades Chemical Pulp	- Production	5,613	6,315	537	579	605	603	6,770	8.0
	- Imports	2,531	2,754	214	239	242	229	2,715	-2.2
	- Exports	3,117	3,752	325	368	375	315	3,934	4.9
	- New Supply	5,028	5,317	426	450	473	517	5,551	4.9
Groundwood Pulp and All Other	Production	15	17	1	1	1	1	14	-12.0
	- Imports	86	83	4	6	16	4	99	0.3
	- Exports	1	0	0	(0)	0	0	0	0.0
	- New Supply	100	99	5	8	17	5	113	-1.4

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

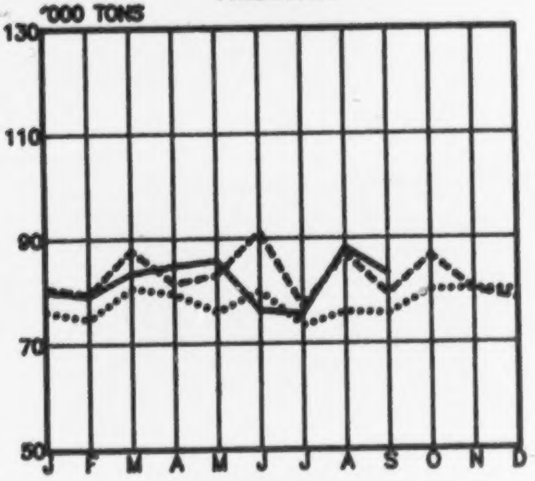
FIBROUS RAW MATERIALS
(Thousands of tons)

CONSUMPTION AT PAPER & PAPERBOARD MILLS					R	P		
Total	69,670	72,990	6,351	6,332	6,437	6,482	76,072	4.5
Total Wood Pulp	54,047	56,320	4,851	4,859	4,984	4,943	58,524	4.2
Waste Paper	15,623	16,670	1,500	1,474	1,453	1,539	17,549	5.5
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers Own Use Inventories	165	174	183	177	173	178	178	-8.2
Producers Market Inventories	485	284	286	276	281	339	339	-3.9
Consumers Purchased Inventories	503	569	570	593	608	605	605	4.6
Waste Paper at Paper & Bd. Mills	969	832	752	773	797	745	745	-5.5
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	30	16	15	15	15	18	18	-10.0

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API.
P - Preliminary; R - Revised. (0) - Indicates zero to five-hundred short tons

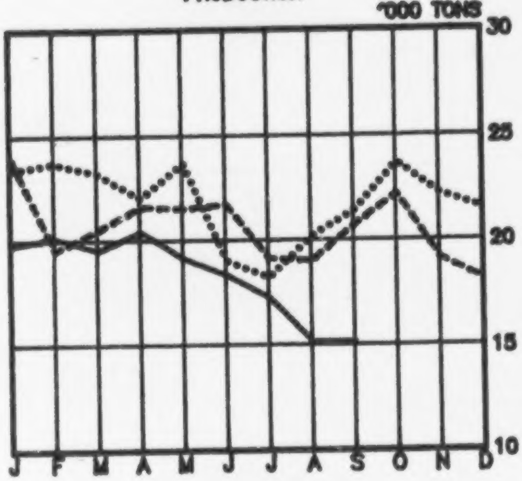
BLEACHED BRISTOLS

PRODUCTION



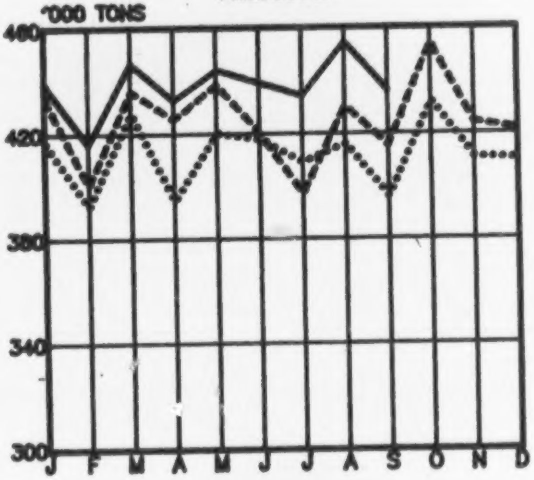
THIN PAPER

PRODUCTION



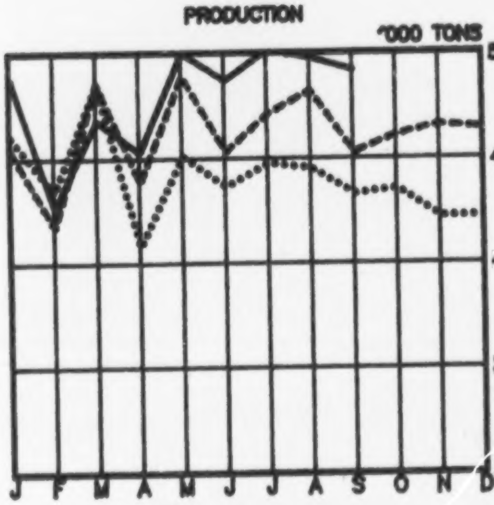
TISSUE PAPER

PRODUCTION



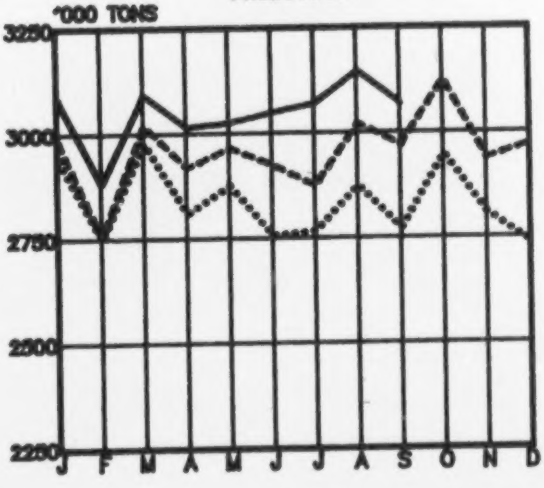
NEWSPRINT

PRODUCTION



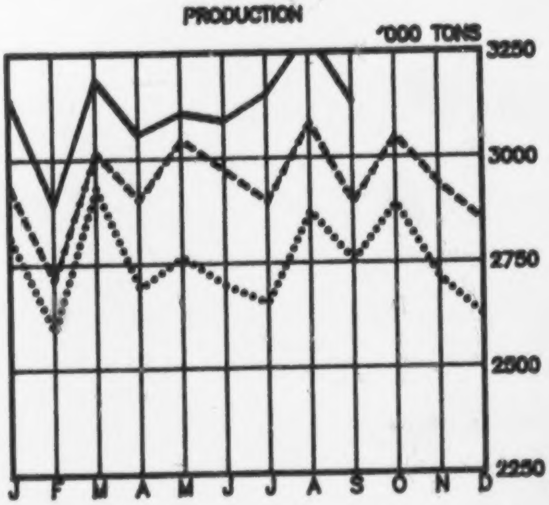
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1985 ········ 1986 -----1987 ————

FIBROUS RAW MATERIALS
(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1985	1986	APRIL 1987	MAY 1987	JULY 1987	AUGUST 1987	Annual Rate Y-T-D 1987	% Change From Same Period Last Year
PULPWOOD									
Total U.S.	- Total Receipts	85,499	90,943	7,382	7,743	8,264	7,643	93,878	3.7
	- Total Consumpt	85,744	91,434	7,582	7,723	8,195	7,729	93,815	2.8
	- Residues *	30,464	32,755	2,629	2,739	2,778	2,637	32,507	-1.5
	- Inventories	5,046	4,794	4,557	4,651	4,782	4,703	4,703	-2.7
So. Atlantic	- Total Receipts	27,589	29,513	2,570	2,555	2,688	2,529	30,578	3.9
	- Total Consumpt	27,815	29,425	2,580	2,530	2,651	2,519	30,569	3.8
	- Residues *	7,970	9,343	748	768	835	779	9,129	-1.5
	- Inventories	1,117	994	963	992	1,025	1,040	1,040	2.4
Northeast	- Total Receipts	7,430	7,277	511	586	572	554	7,040	-1.7
	- Total Consumpt	7,394	7,227	561	580	591	596	7,251	-0.8
	- Residues *	1,539	1,419	118	147	108	117	1,535	8.0
	- Inventories	544	484	402	440	447	471	471	28.0
South Central	- Total Receipts	29,786	31,790	2,565	2,734	2,982	2,687	33,495	6.1
	- Total Consumpt	29,914	32,113	2,561	2,752	2,937	2,707	32,994	3.3
	- Residues *	9,207	9,792	803	872	825	758	10,097	4.3
	- Inventories	1,198	926	1,062	1,033	1,088	1,048	1,048	1.0
North Central	- Total Receipts	6,430	6,571	431	545	607	539	6,482	0.3
	- Total Consumpt	6,296	6,730	547	575	563	559	6,743	0.1
	- Residues *	1,290	1,042	81	86	109	104	1,080	3.6
	- Inventories	884	892	809	811	884	837	837	3.6
West	- Total Receipts	14,264	15,792	1,305	1,323	1,415	1,334	16,284	2.5
	- Total Consumpt	14,325	15,939	1,333	1,286	1,453	1,348	16,259	3.0
	- Residues *	10,458	11,159	879	866	901	879	10,667	-8.0
	- Inventories	1,303	1,498	1,321	1,375	1,338	1,307	1,307	-18.6

* - Consumption of Residuen in Curd Equivalents.

SOURCE: American Pulpwood Association

22-Oct-87

UNITED STATES TRADE WITH CANADA

IMPORTS FROM CANADA

	YEAR 1986 Tons	($000's)	JULY 1987 Tons	JULY 1987 ($000's)	AUGUST 1987 Tons	AUGUST 1987 ($000's)	Annual Rate Y-T-D 1987 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	59,490	4,224	2,186	212	2,803	181	8,412	-76.1
Pulpwood chips	723,257	19,488	33,822	1,048	33,837	1,598	368,252	-54.3
Wood Pulp, Total	3,949,414	1,422,180	352,301	151,275	327,433	141,010	4,307,988	8.7
Waste Fibrous Materials, Total	157,870	27,196	14,126	2,319	14,883	2,984	187,773	12.4
Paper, Board & Products, Total	9,963,486	4,467,761	863,501	417,410	853,937	424,134	10,584,760	5.9
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	9,842,154	4,268,820	853,241	400,500	842,651	405,321	10,439,016	5.6
Paper, Paperboard & Products	9,715,710	4,393,592	842,357	411,463	833,830	417,782	10,348,017	6.2
Paper & Paperboard, Only	9,594,378	4,194,651	832,097	394,553	822,544	398,969	10,202,273	6.0
Paper, Total	9,367,380	4,130,464	814,725	389,004	798,880	391,390	9,952,489	5.8
Newsprint	8,269,333	3,556,983	707,216	331,105	676,091	325,054	8,612,045	2.9
Printing, Writing & Rel. Pap.	868,628	457,685	88,810	48,222	101,085	54,657	1,078,673	32.0
Pack. & Ind. Conv. Paper	182,481	81,492	15,205	7,039	17,734	8,389	216,427	23.5
Special Industrial Paper	4,766	7,893	165	309	426	784	5,567	26.5
Tissue Paper	42,173	26,411	3,331	2,329	3,543	2,506	39,777	-0.3
Paperboard, Total	226,998	64,187	17,372	5,548	23,664	7,579	249,785	12.4
Convtd Paper&Paperbd Products	121,332	198,941	10,259	16,911	11,286	18,813	145,744	22.6
Wet Machine Board	2,332	1,570	193	139	228	157	2,960	28.2
Construction Paper & Board	245,444	72,599	20,952	5,808	19,880	6,195	233,783	-7.2

EXPORTS TO CANADA

	YEAR 1986 Tons	($000's)	JULY 1987 Tons	JULY 1987 ($000's)	AUGUST 1987 Tons	AUGUST 1987 ($000's)	Annual Rate Y-T-D 1987 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	39,191	2,201	0	0	4,493	292	9,359	-75.7
Pulpwood chips	262,844	13,577	4,362	322	3,541	254	73,541	-11.3
Wood Pulp, Total	262,353	76,591	14,959	5,578	19,090	7,279	201,552	-22.9
Cotton Pulp & Other Pulp	33,629	10,458	5,512	1,328	7,494	1,632	50,270	74.1
Waste Paper	226,215	23,254	25,833	2,848	25,159	2,712	273,908	34.8
Paper, Board & Products, Total	725,421	464,684	73,239	43,430	85,953	46,964	905,164	27.9
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	570,635	315,710	50,974	27,421	61,356	30,836	674,519	20.9
Paper, Paperboard & Products	695,561	452,129	70,202	42,186	83,912	45,954	870,314	28.0
Paper & Paperboard, Only	540,775	303,154	47,937	26,177	59,315	29,825	639,670	20.7
Paper, Total	278,911	200,168	21,513	16,784	21,754	19,826	291,011	1.2
Newsprint	6,040	4,457	654	479	216	196	5,170	30.1
Printing, Writing & Rel. Pap.	121,167	99,480	11,540	9,171	10,927	9,554	143,312	16.7
Pack. & Ind. Conv. Paper	25,614	16,467	1,788	1,281	2,180	1,733	24,532	-7.0
Special Industrial Paper	122,874	75,189	6,137	5,279	7,902	7,900	112,456	-14.4
Tissue Paper	3,217	4,577	1,393	574	529	444	5,541	80.6
Paperboard, Total	261,864	102,986	26,424	9,393	37,561	9,999	348,639	43.7
Convtd Paper&Paperbd Products	154,786	148,975	22,265	16,010	24,597	16,129	230,645	53.8
Wet Machine Board	10,728	4,638	657	330	436	222	10,697	-3.7
Construction Paper & Board	19,132	7,918	2,381	915	1,604	789	24,152	43.9

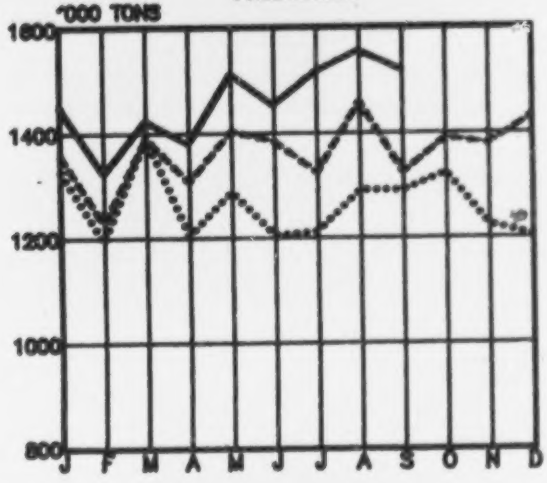
SOURCE: Bureau of Census, Department of Commerce

E - Estimate of tonnage based on square foot data

22-Oct-87

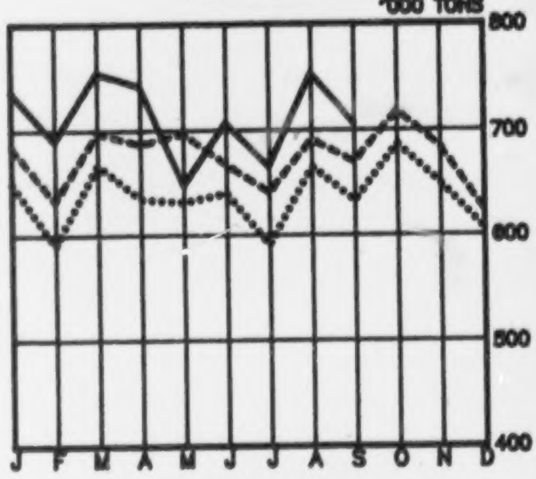
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



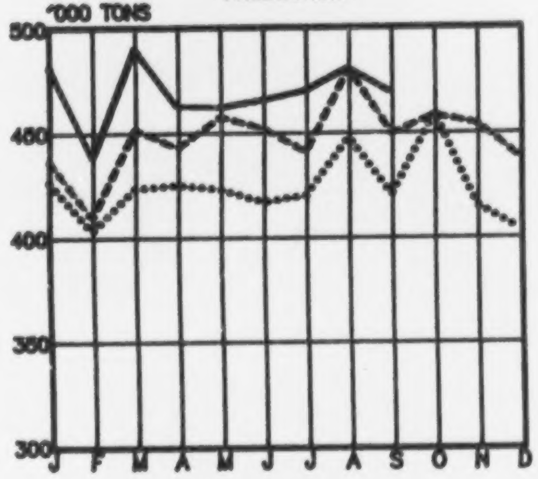
RECYCLED PAPERBOARD

PRODUCTION



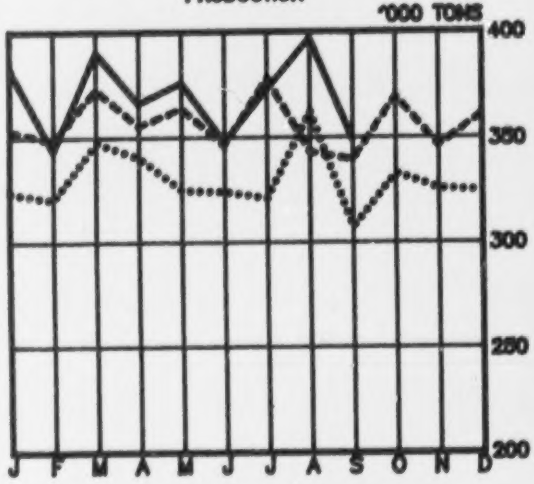
SEMICHEMICAL PAPERBOARD

PRODUCTION



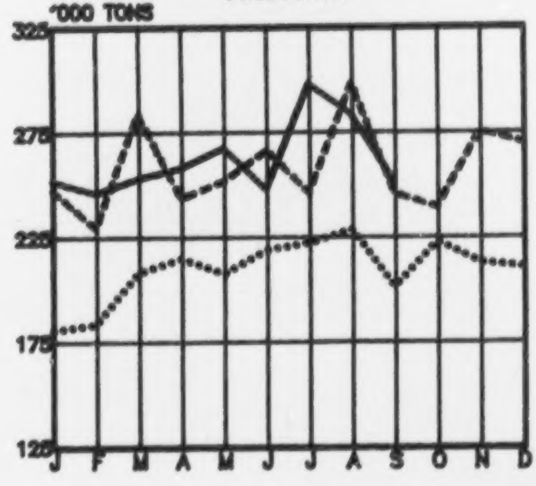
SOLID BLEACHED PAPERBOARD

PRODUCTION



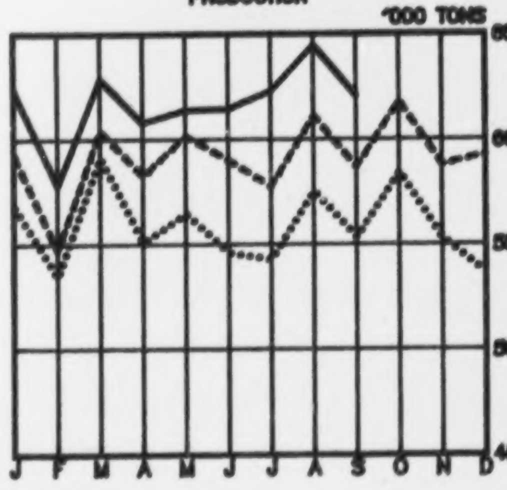
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1985 ········ 1986 - - - - 1987 ———

PULP PAPER AND PAPERBOARD IMPORTS AND EXPORTS DATA

IMPORTS

	YEAR 1986 Tons	1986 $000	1987 JULY Tons	JULY $000	1987 AUGUST Tons	AUGUST $000	(1) Annual Rate YTD 1987 Tons	% Change from same Period Last Year
Pulpwood Roundwood (cords)	60,850	4,563	2,186	212	2,803	181	8,487	-76.99
Pulpwood Chips	724,828	19,642	34,522	1,075	34,029	1,606	465,378	-42.34
Total All Imports	16,722,494	7,674,736	1,450,398	731,881	1,428,232	741,647	17,680,655	5.73
Wood Pulp Total	4,581,760	1,601,378	400,779	166,075	380,031	163,594	4,824,569	4.60
Waste Paper	99,313	11,182	10,678	1,301	10,770	1,722	119,690	24.29
Other Fibrous Materials	104,969	26,326	4,770	1,857	6,048	2,305	87,226	-31.82
Paper Board & Products Total	11,936,452	6,035,850	1,034,172	560,648	1,031,384	574,025	12,649,171	6.35
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	11,546,545	5,247,129	1,003,093	484,756	1,001,270	496,561	12,237,378	6.12
Paper Ppbd & Prds ex Cnst&WMB	11,596,808	5,928,457	1,003,813	551,397	1,003,146	564,108	12,321,771	6.67
Paper & Paperboard Only	11,206,901	5,139,735	972,734	475,505	973,032	486,644	11,909,979	6.45
Paper Total	10,925,483	5,051,917	951,279	468,263	945,266	477,687	11,546,750	5.66
Newsprint	8,587,507	3,682,351	741,405	345,162	708,175	338,549	8,960,390	2.84
Printing & Writing	2,029,302	1,179,802	180,923	105,691	208,345	119,888	2,221,875	15.88
Uncoated Groundwood	1,028,231	531,149	92,586	47,571	101,021	50,554	1,172,562	22.89
Coated Print.& Impreg. Pap.	501,382	359,495	57,244	39,022	70,009	46,389	616,582	29.04
Uncoated Free Sheet	453,638	254,627	26,689	15,758	33,656	19,985	380,076	-13.41
Uncoated Book	223,798	126,278	16,429	8,917	20,207	11,202	207,513	-5.98
Writing and Similar Paper	229,841	128,349	10,260	6,840	13,449	8,783	172,563	-20.92
Thin (except Cigarette)	45,351	33,831	4,321	3,244	3,619	2,910	51,776	13.05
Bristols	700	700	83	97	41	50	878	30.48
Total Pkg & Other Paper	242,571	146,212	25,187	14,501	24,979	16,457	307,979	32.08
Unbleached Kraft Paper	115,008	42,650	15,691	6,258	11,359	4,856	167,271	56.78
Other Pkg. & Indust. Paper	127,562	103,562	9,496	8,243	13,620	11,601	140,708	11.25
Tissue	66,073	43,552	3,764	2,929	3,769	2,792	56,507	-12.05
Paperboard, Total	281,448	87,818	21,455	7,222	27,764	8,956	363,228	39.19
Test or Containerboard	78,063	25,596	4,968	1,816	5,581	2,212	77,587	3.30
Semi Chemical Corrugating	99,062	22,092	9,132	2,303	11,302	2,731	124,020	28.59
Other Paperboard	104,324	40,130	7,355	3,103	10,881	4,014	161,621	80.75
Convtd Paper&Paperbd Products	389,907	788,721	31,079	75,892	30,114	77,464	411,793	13.45
Paper Products, Total	361,517	730,257	28,476	70,815	27,563	71,664	377,324	17.83
Paperboard Products, Total	28,390	58,464	2,603	5,078	2,551	5,800	34,469	2[illegible].76
Wet machine Board	3,235	2,525	245	199	274	216	3,498	3.82
Construction Paper & Board	336,409	104,868	30,114	9,053	27,964	9,702	323,902	-4.49
Notes								
Other: No Weight Avail. ($000)		212,338		12,500		15,122	205,921	-0.13
Total Imports Incl. Other($000)		7,887,074		744,381		756,768	8,971,646	15.78

EXPORTS

	YEAR 1986 Tons	1986 $000	1987 JULY Tons	JULY $000	1987 AUGUST Tons	AUGUST $000	(1) Annual Rate YTD 1987 Tons	% Change from same Period Last Year
Pulpwood, Roundwood (cords)	42,190	2,373	0	0	5,202	324	12,180	-71.64
Pulpwood Chips	2,428,333	170,022	225,746	15,930	310,345	22,629	2,405,972	10.59
Total All Exports	13,051,152	4,685,447	1,277,018	523,128	1,260,265	516,772	14,531,892	12.46
Wood Pulp,Total	4,458,312	1,662,466	462,809	213,942	390,027	184,606	4,835,301	9.81
Cotton Pulp and Other Pulp	157,452	72,500	16,151	7,514	24,684	11,206	176,489	7.15
Waste and Old Paper	3,748,711	411,076	352,519	45,481	351,482	45,629	4,182,819	12.05
Paper, Board & Products,Total	4,686,677	2,539,405	445,539	256,191	494,072	275,332	5,337,284	15.50
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	4,160,179	1,853,616	382,110	188,605	429,027	207,935	4,638,735	12.73
Paper, Ppbd & Prod ex Cnst&WMB	4,592,635	2,487,507	436,435	251,172	485,777	270,985	5,232,916	15.59
Paper & Paperboard, Only	4,066,137	1,801,718	373,005	183,586	420,732	203,588	4,534,367	12.77
Paper, Total	883,689	642,597	72,053	60,346	82,761	69,169	912,787	3.74
Newsprint	392,228	194,549	24,008	15,151	34,955	20,535	3[illegible]4,882	-3.87
Printing & Writing	190,656	185,271	21,632	20,627	21,053	19,329	2[illegible],093	20.65
Uncoated Groundwood	40,847	28,947	6,060	4,028	5,787	3,998	50,245	13.33
Clay Coated Paper	78,248	57,856	7,609	5,362	7,860	5,398	95,583	19.55
Uncoated Free Sheet	50,140	71,354	6,304	8,888	5,450	7,272	62,935	25.62
Other Printing & Writing	21,420	27,114	1,659	2,349	1,957	2,662	26,331	28.66
Total Pkg. & Other Paper	284,048	241,426	22,539	22,142	22,709	26,456	288,471	-3.81
Unbleached Kraft	78,248	32,009	8,671	3,850	7,223	3,704	86,335	5.13
Other Pkg. & Indust. Paper	205,800	209,417	13,868	18,292	15,486	22,753	202,136	-7.18
Tissue	16,758	21,351	3,874	2,427	4,044	2,847	34,342	115.32
Paperboard, Total	3,182,448	1,159,121	300,952	123,240	337,971	134,418	3,621,580	15.29
Solid Wood Pulp	2,982,973	1,074,964	267,358	109,619	303,258	122,236	3,309,497	11.42
Total Linerboard	2,177,420	635,749	199,802	71,366	227,683	81,508	2,373,113	9.30
Bleached Kraft Linerboard	133,787	51,448	13,732	5,502	9,097	4,438	76,427	-50.26
Unbleached Kraft Linerbd	2,043,633	584,301	186,071	65,864	218,586	77,070	2,296,686	13.84
Other Unbleached Kraft	157,614	57,548	16,750	6,483	20,218	7,804	222,002	40.05
Other Bleached Kraft	571,298	359,954	43,628	29,025	51,447	31,716	638,983	12.09
Semi-Chemical Corrugating	76,641	21,713	7,178	2,745	3,910	1,208	75,399	6.68
Recycled Paperboard	199,476	84,157	33,594	13,621	34,713	12,182	312,083	82.73
Convtd Paper&Paperbd Products	526,497	685,789	63,430	67,586	65,045	67,397	698,548	38.00
Paper Products, Total	240,171	456,429	23,693	42,992	26,865	45,311	295,586	30.56
Paperboard Products, Total	286,327	229,360	39,737	24,594	38,180	22,086	402,963	44.03
Wet Machine Board	18,893	7,259	1,095	533	693	350	18,768	-5.87
Construction Paper & Board E	75,149	44,639	8,010	4,486	7,602	3,997	85,600	16.01
Notes								
Other: No Weight Avail. ($000)		7,298		508		702	7,907	3.43
Total Exports Incl. Other($000)		4,692,745		523,637		517,474	5,897,070	29.60

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description.

PRODUCER PRICE INDEXES
1967 = 100

	1985	1986	JUNE 1987	JULY 1987	AUGUST 1987	SEPTEMBER 1987	Annual Rate Y T D 1987	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	292.0	293.9	309.6	311.5	312.0	316.9	309.7	6.1
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	294.5	295.9	311.1	312.9	314.3	318.3	311.3	5.9
Total Wood Pulp	346.6	358.7	426.5	420.8	432.6	444.0	417.4	18.9
Total Paper	303.4	306.3	314.2	318.0	319.5	321.4	316.6	4.0
Total Paper, exc. Newsprint	298.8	300.4	300.3	303.8	305.4	307.7	304.5	2.0
Newsprint	332.9	326.1	343.1	355.8	367.1	369.2	349.6	8.0
Total Paperboard	274.6	271.9	295.1	296.3	300.7	308.5	296.3	10.0
Total Paper and Paperboard *	294.4	295.4	306.2	311.2	313.6	317.4	306.0	5.8
Converted Products	288.1	289.3	301.8	302.7	303.3	306.3	301.4	4.7
Waste Paper	148.8	172.8	221.8	226.2	227.0	234.2	217.4	33.2
All Commodities	308.9	299.8	308.5	310.2	310.5	310.4	300.9	2.0
Industrial Commodities	324.0	312.1	320.2	322.6	323.8	323.3	318.9	1.9

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

Paper and Allied Products Companies

Sales and Earnings

	Sales			Net Profit After Taxes			Earnings/Sales	
	1987	1986	Change 87/86	1987	1986	Change 87/86	1987	1986
	(Million Dollars)		%	(Million Dollars)		%	%	%
21 Paper and Allied Products Companies								
First Quarter	10,265	8,711	17.8	577.2	317.9	81.6	5.6	3.6
Second Quarter	11,007	9,205	19.6	750.1	481.6	55.8	6.8	5.2
Third Quarter	11,446	9,314	22.9	800.7	487.2	64.3	7.0	5.2
First Three Quarters	32,718	27,230	20.2	2,128	1,287	65.4	6.5	4.7
4 Forest Products Companies								
First Quarter	3,996	3,307	20.8	204.9	80.8	153.5	5.1	2.4
Second Quarter	4,459	3,897	14.4	279.2	182.5	52.9	6.3	4.7
Third Quarter	4,889	3,792	28.9	293.8	185.7	58.2	6.0	4.9
First Three Quarters	13,344	10,996	21.4	778	449	73.2	5.8	4.1
2 Paper Related Companies								
First Quarter	642	597	7.6	50.9	24.5	108.1	7.9	4.1
Second Quarter	705	642	9.7	53.8	39.9	34.8	7.6	6.2
Third Quarter	725	654	10.9	59.4	37.7	57.7	8.2	5.8
First Three Quarters	2,072	1,893	9.5	164	102	60.8	7.9	5.4

remarkable 7% in this quarter, a rate that was matched only in the boom year of 1974. As the table on page 10 shows, total sales for the first three quarters of 1987 gained 20%; earnings 65%; and the earnings/sales ratio averaged 6.5%.

Similar data for 4 forest product companies showed comparable patterns of strength with total sales in the first three quarters of the year up 21%; earnings up 73%.

LONG-TERM PAPERBOARD DEMAND TRENDS

New supply of paperboard (production plus imports less exports) grew at an average annual rate of 2.0% between 1976 and 1986. That rate was below the 3.4% average annual growth rate recorded by new supply of paper and the 2.8% average annual growth rate posted by real GNP. As a result of those growth disparities, paperboard's share of total new supply of paper and paperboard declined from 45% in 1976 to 41.9% in 1986 and the ratio of new supply of paperboard to real GNP declined by 7% over the last ten years, from 9,461 tons per billion dollars of real GNP in 1976 to 8,802 tons per billion dollars of real GNP in 1986. (See table on page 12.)

The largest tonnage category among the individual paperboard grades is unbleached kraft. Accounting for 48% of total paperboard new supply in 1986, unbleached kraft paperboard encompasses unbleached kraft linerboard, folding boxboard, and a number of other uses, including tube, can and drum stock. Linerboard, which is used in corrugated and solid fibre boxes, comprised 91.7% of unbleached kraft paperboard production for domestic use in 1986 and unbleached kraft folding boxboard, most of which is coated and used mainly for beverage carriers, accounted for another 5.8% of production for domestic markets.

New supply of unbleached kraft paperboard rose at the average annual rate of 2.5% a year between 1976 and 1986. This was only slightly slower than the 2.8% per year growth of both fibre box shipments and real GNP. These balanced growth trends reflect the widespread use of boxes within the economy.

Demand for semichemical paperboard, which is used almost exclusively as corrugating medium, is also paced by fibre box demand. New supply of semichemical paperboard advanced at an average annual rate of 2.8% between 1976 and 1986, which matched the growth rates recorded by fibre boxes and real GNP.

New supply of bleached board rose at an average annual rate of 0.5% between 1976 and 1986. This was much slower than the trend of real GNP (see table on page 12), largely as a result of a shift to plastic bottles for packaging milk. Bleached board is used for folding cartons, which accounted for 46.6% of production for domestic use in 1986, milk cartons (13.8%), food service (17.8%) -- i.e., cups, plates, dishes, and trays -- linerboard (3.1%), and other miscellaneous uses. Bleached board's share of the folding boxboard market remained relatively unchanged during the period 1976-1986. During the ten-year period ending in 1986, unbleach kraft paperboard's share of the folding box market climbed from 12.2% to 17.2%, while recycled paperboard's share slipped from 49.6% to 44.3%. Emerging markets for bleached paperboard include aseptic packaging and ovenable board.

New supply of recycled paperboard expanded 1.3% a year between 1976 and 1986. Here, too, the growth has been slower than real GNP. In this instance, the slower trend reflected both the pace of end-use markets -- largely nondurable consumer goods such as foods and cleaning products -- and competition from bleached board.

Thousand Tons

UNBLEACHED KRAFT PAPERBOARD

	Production	Imports	Exports	New Supply	N.S./Real GNP 000 tons/Bil.$
1976	13,332	4	1,247	12,089	4.277
1983	16,122	48	2,281	13,890	4.236
1984	17,185	70	2,086	15,169	4.332
1985	16,368	51	1,830	14,589	4.044
1986	17,689	78	2,246	15,521	4.218
1987*	18,380	82	2,206	16,256	4.296

SEMICHEMICAL

	Production	Imports	Exports	New Supply	N.S./Real GNP 000 tons/Bil.$
1976	4,105	—	119	3,986	1.410
1983	4,730	70	193	4,608	1.405
1984	5,169	104	149	5,124	1.463
1985	5,088	65	189	4,964	1.376
1986	5,376	99	213	5,262	1.417
1987*	5,585	124	219	5,490	1.451

SOLID BLEACHED

	Production	Imports	Exports	New Supply	N.S./Real GNP 000 tons/Bil.$
1976	3,844	--	306	3,538	1.252
1983	3,926	--	515	3,411	1.040
1984	4,048	--	478	3,570	1.020
1985	3,948	--	466	3,483	0.965
1986	4,271	—	569	3,702	0.997
1987*	4,390	--	585	3,805	1.006

RECYCLED PAPERBOARD

	Production	Imports	Exports	New Supply	N.S./Real GNP 000 tons/Bil.$
1976	7,158	9	37	7,131	2.523
1983	7,398	50	24	7,424	2.264
1984	7,636	69	17	7,688	2.196
1985	7,630	68	26	7,672	2.127
1986	8,083	104	70	8,117	2.186
1987*	8,513	179	37	8,655	2.287

TOTAL PAPERBOARD

	Production	Imports	Exports	New Supply	N.S./Real GNP 000 tons/Bil.$
1976	28,440	13	1,709	26,744	9.461
1983	32,177	168	3,012	29,333	8.945
1984	34,039	243	2,731	31,551	9.011
1985	33,034	184	2,511	30,707	8.512
1986	35,419	281	3,097	32,603	8.780
1987*	36,869	386	3,948	33,307	8.802

NOTE: Production for exports as reported by API.
*First half of 1987 at annualized rate. N.S. = New Supply

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

OCTOBER 30, 1987

PRODUCTION (000 TONS)

	SEPTEMBER 1987	AUGUST 1987	SEPTEMBER 1986	FIRST NINE MONTHS 1987	FIRST NINE MONTHS 1986	% CHANGE YR TO DATE 1987/1986
PAPER GRADES						
Newsprint	494	498	462	4,352	4,217	3.2
Printing & Writing	1,760	1,792	1,668	15,412	14,564	5.8
Uncoated Groundwood (s)	126	127	133	1,145	1,142	0.2
Coated Paper (s)	591	597	556	5,088	4,614	10.3
Uncoated Free Sheet Paper (s)	926	951	866	8,147	7,762	5.0
Thin Paper (s)	19	17	21	171	187	-8.9
Cotton Fiber Paper (s)	14	13	13	122	114	7.0
Bleached Bristols (s)	84	86	79	740	746	-0.8
Tissue Paper	436	454	415	3,940	3,796	3.8
Total Pkg & Other Paper	413	417	424	3,775	3,836	-1.6
Unbleached Kraft Packaging & Indl. Converting (s)	254	250	272	2,307	2,501	-7.8
Other Paper	159	166	152	1,468	1,335	10.0
TOTAL PAPER	3,103	3,161	2,969	27,480	26,412	4.0
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,612	1,670	1,437	14,153	13,195	7.3
Unbleached Kraft Linerboard	1,521	1,558	1,327	13,148	12,196	7.8
Other Unbl. Kraft Paperboard	92	112	110	1,005	999	0.5
Semichemical Paperboard	470	481	450	4,223	4,024	4.9
Bleached Paperboard	348	397	339	3,320	3,196	3.9
Recycled Paperboard	705	752	669	6,392	6,059	5.5
TOTAL PAPERBOARD	3,135	3,300	2,894	28,089	26,474	6.1
TOTAL PAPER AND PAPERBOARD	6,238	6,461	5,863	55,568	52,886	5.1

WOOD PULP (ALL GRADES)	AUGUST 1987	JULY 1987	AUGUST 1986	First 8 Months 1987	First 8 Months 1986	% Change 87/86
Dissolving & Special Alpha	102	123	113	865	840	3.1
Bleached Sulfite	111	101	109	839	868	-3.3
Unbleached Sulfite	15	14	13	110	111	-0.5
Bleached & Semi-Bl. Sulfate	2227	2237	2054	17204	16009	7.5
Unbleached Sulfate	1809	1789	1740	14029	13636	2.9
Semichemical	333	364	367	2829	2791	1.3
Groundwood & Thermomechanical	487	484	461	3750	3646	2.9
TOTAL PULP DIVISION DATA	5083	5111	4856	39625	37900	4.6

(s) - Shipments
P - Preliminary
R - Revised

OCTOBER 30, 1987

	Full Year		INDUSTRY DATA 1986 - 1987			Ann. Rate Year - To - Date	% From Same Pd. Last Year
				R	P		
PAPER AND PAPERBOARD -- Tons (000)	1985	1986	July	August	September	1987	
Total Production (API)....... excluding :...	67,030	70,861	6,238	6,461	6,238	74,091	5.1
Total Seasonally Adjusted....:construction:...			6,184	6,200	6,216	73,736	5.1
Imports (including Products).: and wet :..E	11,106	11,597	1,004	1,003	1,005	12,293	6.8
Exports (including Products).: machine :..E	4,009	4,593	436	486	445	5,245	15.4
Apparent Consumption.........: grades :...	74,127 a	77,866 b	6,752	6,717	6,776	80,784 c	4.7
Paper Production % Tonnage Capacity...........	90.5 g	93.0 g	90.5	93.2	93.9	93.4 gn	-
Paperboard Production % Tonnage Capacity......	90.0 g	94.4 g	95.9	100.9	98.3	98.0 g	-
			June	July	August		
IMPORTS......:Including Construction and :...	11,521	11,936	1,070	1,034	1,031	12,649	6.3
EXPORTS...... WMB Grades (excl. HPB) :...	4,077	4,687	493	446	494	5,337	15.5
			June	July	August		
MARKET WOOD PULP PRODUCTION - Tons (000)........	6,800	7,583	692	729	707	8,076	7.2
TOTAL WOOD PULP PRODUCTION - Tons (000).........	54,147	57,017	4,971	5,111	5,083	59,438	4.6
WOOD PULP IMPORTS - TONS (000)..................	4,466	4,582	390	401	380	4,825	4.8
WOOD PULP EXPORTS - TONS (000)..................	3,791	4,458	455	463	390	4,835	9.8
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			June	July	August		
Wood Pulp.............:consumption for:.....	55,047	56,320	4,859	4,984	4,943	58,524	4.2
Waste Paper...........:construction & :.....	15,623	16,670	1,474	1,453	1,539	17,549	5.5
TOTAL..........: WMB grades :.....	70,670	72,990	6,332	6,437	6,482	76,073	4.5
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	85,744	91,434	7,723	8,195	7,729	93,815	2.8
EMPLOYMENT (000)			July	August	September		
Paper and Allied Products..........Total......	677.7	674.3	678.9	681.0	684.0	677.6	0.7
Pulp Paper and Board Mills........Total.....E	252.3	248.5	246.9	247.0	247.7	246.8	-0.6
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)			July	August	September		
Paper and Allied Products......................	10.82	11.14	11.48	11.41	11.71	11.38	2.4
Pulp, Paper Mills.........................E	13.11	13.58	14.06	13.99	14.20	13.92	2.9
Paperboard Mills..........................E	13.60	14.01	14.37	14.25	14.30	14.19	1.6
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1986 Q4	1987 Q1	1987 Q2		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	8.59	8.77	8.57	8.06	8.77	8.48 y	-3.3
INDEX OF OUTPUT PER MAN-HOUR (1977=100)..........			July	August	September		
:IN PULP, PAPER :...Production Workers..........	123.6	131.2	140.5	142.4	140.8	139.2	6.7
:AND BOARD MILLS:...All Employees...............	122.1	130.4	138.7	139.8	139.2	136.8	5.5
PAPER AND ALLIED PRODUCTS (Million $)			July	August	September		
Industry Shipments (Dept. of Commerce)*........	97,664	106,322	10,275	9,950	10,243	116,585	12.7
Pulp, Paper and Paperboard*.................	41,830	45,565	4,543	4,314	4,410	50,173	13.6
Inventories (End of Period) - Total Industry*..	9,728	10,250	10,923	11,021	11,074	11,074	9.6
Pulp, Paper and Paperboard*.................	3,800	4,078	4,141	4,173	4,162	4,162	5.5
			1986 Q4	1987 Q1	1987 Q2		
Sales (Corporations Only)......................	71,465	74,844	19,948	19,941	21,553	82,988	15.3
Earnings (Corporations Only)...................	2,880	3,280	957	996	1,206	4,404	46.4
Depreciation (Corporations Only)...............	3,099	3,389	883	951	942	3,786	13.8
Net Worth (Corporations Only)..................	29,694	31,221	31,221	32,231	32,843	32,843	7.7
PRICE INDEXES (Bureau of Labor Stats)1967=100			July	August	September		
Pulp, Paper & Products, ex. Building Grades....	292.0	293.8	311.5	312.8	316.9	309.8	6.1
Wood Pulp......................................	346.6	358.8	420.8	422.6	444	417.4	18.9
Waste Paper....................................	148.8	172.8	226.2	227.0	234.2	217.3	33.1
Paper..	303.4	306.3	318.0	319.5	321.4	316.6	4.0
Paperboard.....................................	274.6	271.6	296.3	300.7	308.5	296.9	10.2
PAPER DEMAND (INDEXED. 1977=100)			July	August	September		
Total Paper Production *.......................	122.8	127.9	132.4	132.5	132.7	131.9	4.0
Paper New Supply *.............................	128.7	133.6	138.5	137.9	138.3	138.4	4.3
Demand Indicators - (Weighted Average) *.....	142.0	148.8	157.7	157.5	157.8	154.7	4.4
Production of Nondurable Goods *...(21.2%).	125.3	130.6	138.4	138.6	138.7	135.8	4.4
Disposable Income ....*.(23.9%)	128.4	133.6	134.9	135.0	135.2	134.6	0.9
Total Printing and Publishing *...(54.9%).	154.3	162.5	175.0	174.6	175.0	170.8	5.7
Trend Factor	----------	----------	----------	Not Available	----------	----------	----------
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *.................	114.3	122.0	129.7	130.2	130.7	128.5	6.1
Production for Domestic Use	112.8	118.9	125.2	126.4	128.4	125.6	6.5
Demand Indicators - (Weighted Average) *.....	120.1	122.0	126.9	127.2	127.0	125.1	2.7
Production of Consumer Goods *...(62.06%)	120.5	124.4	129.2	129.3	128.9	127.3	2.7
Production of Equipment *...(5.75%)	146.4	142.8	150.0	150.5	151.8	147.6	3.4
Production of Materials *...(32.19%)	114.5	113.9	118.3	118.9	119.0	116.7	2.6
Trend Factor	----------	----------	----------	Not Available	----------	----------	----------
NEWSPRINT MARKETS			June	July	August		
Consumption by Publishers - Tons (000).........	12,773	13,158	1,098	1,066	1,152	13,166	2.6
Newspaper Pub. and Printing Empl. Total(000)...	454	461	461	462	463	459	-0.2
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (PIB, Inc.)...........	155,545	153,893	12,619	9,312	10,966	142,080	-0.1
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	36,798	40,521	3,979	3,930	4,080	45,090	13.1
Inventories (End of Period).	3,267	3,552	3,540	3,548	3,544	3,544	4.5
FIBRE BOX DATA (Fibre Box Association)			July	August	September		
Fibre Box Shipments (Million square feet).......	267,451	283,921	25,370	25,011	25,925	297,851	4.8
Container'bd Inventory at Mill & Plant(000Tons).	2,549	2,238	2,497	2,437	2,457	2,457	8.3
RETAIL TRADE (Million $)			July	August	September		
Total Retail Sales *..........................	1,372,853	1,445,568	127,061	129,267	128,760	1,504,899	4.9
Nondurable Goods Stores Sales *...............	859,316	882,505	77,326	77,984	77,931	923,807	5.0
GENERAL ECONOMIC DATA			July	August	September		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	124.2	125.1	130.6	131	131.2	128.7	3.1
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1967=100).	308.7	299.8	310.2	310.5	310.4	306.4	2.0
CONSUMER PRICES (ALL ITEMS) (INDEX 1967 = 100)...	322.2	328.4	340.8	342.7	344.4	338.6	3.4
			June	July	August		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	531	586	585.3	591.2	597.4	597.4	3.1
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..			1987 Q1	1987 Q2	1987 Q3		
G.N.P. or Expenditure - Current $..............	4,010	4,235	4,378	4,445	4,512	4,445	5.4
G.N.P. or Expenditure - 1982 $.................	3,607	3,713	3,772	3,795	3,831	3,800	2.5

lb/capita Pap&Papbd	Othr	Totl	Popul(mil)
.a - 620	+ 18	= 638	239.3
.b - 644	+ 17	= 661	241.6
.c - 663	+ 17	= 680	243.8

.e - estimated by API

f - Wood Pulp Production excludes def., explo. & scrngs.
g - Adjusted for holiday shutdowns
h - Adjusted to Conform with API Division data
j - Census unpublished data: standard dev. = 6 - 8%
Q - Quarter

R - Revised
y - Full year estim. by U.S. Dept. of Com.
* - Seasonally Adjusted.

A2500-2
12/14/87

Paper
Paperboard
& Wood Pulp

MONTHLY STATISTICAL SUMMARY - Vol. 65 - No. 11 NOVEMBER 1987

PAPER AND PAPERBOARD PRODUCTION: HOLDING STRONG

Paper and paperboard production in the first ten months of 1987 hit a record-high seasonally adjusted rate of 73.8 million tons per year. This was 4.8% above the corresponding year-earlier rate, with paper up 3.9% and paperboard 5.8%, both record highs. The gains were well distributed among the major grades, indicating an overall balanced growth. However, October's actual production showed only a modest growth over the September level, reflecting changes in the seasonal pattern of some of the paperboard grades. Available data on inventories of paper and allied products at mills, plants and end-user facilities have shown no significant growth so far this year.

Paper: The growth in paper production has been centered on communication papers and packaging papers other than kraft paper. The 9.8% gain in production of these other papers for the January-October 1987 period is the largest year-to-year gain for all paper grades (see table on page 3).

Total printing and writing paper shipments were 5.3% above shipments in the same period last year, about double the gain in real GNP. When the strong increase in net imports (imports less exports) is factored in, new supply (production plus net imports) of these grades grew at an even faster rate than domestic shipments. Inventories, both at mills and printers are showing no significant increase, indicating that demand for these grades by end users parallels the new supply trend.

Coated paper shipments were 9.5% above their year-earlier rate in the first ten months of 1987, largely reflecting gains in shipments to periodical publishers and commercial printers. The increase in imports of these papers in the first nine months of 1987 rose at the rate of 128,000 tons per year. The total was 31% above its year-earlier level, indicating that the percentage gain in new supply was greater than that of shipments. These imports were equivalent to 9% of domestic shipments. The increase came entirely in imports from Canada; imports of coated papers from other countries declined.

Continued on page 2

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Uncoated free sheet paper shipments were up 4.7% in the first ten months of 1987, with imports, which were equivalent to only 3.5% of total shipments from domestic mills, down 11%.

Groundwood paper shipments on the other hand, have moved in the relatively narrow range of 1.52-1.54 million tons per year during the past three years. There has, however, been a large gain in new supply of groundwood papers; imports, as reported by the Bureau of Census, showed a 25% gain. These imports were equivalent to nearly 80% of shipments from domestic mills.

Newsprint new supply has outpaced real GNP growth so far this year. Domestic production showed a 3.7% gain over their year-earlier rate in this January-October 1987 period; imports 4.3%. Publishers' inventories have been in a flat trend for the entire year as consumption of newsprint kept pace with new supply. While about 73% of demand comes from daily newspapers, the greatest growth rate is occurring in the all other category, largely in newspaper inserts and similar products.

Tissue and cotton fiber papers are also showing strength on a year-to-date basis.

Unbleached kraft paper shipments continue to run below year-ago levels. Although shipments have strengthened in the last few months, the September-October rate was still below year-ago levels. (See chart on page 4). The largest losses in this grade are occurring in the unbleached grocers bag and sack papers, which are facing strong competition from plastic substitutes.

Paperboard: Production of paperboard was equivalent to 96.4% of capacity in October, but the total was only 0.8% above the September total. As the chart on the bottom of page 8 shows, production took a much steeper jump in earlier years.

The slower movement shows up in the weekly production levels, which fell off in the last half of the month as kraft and semichemical paperboard mills took downtime for maintenance and repair that, in previous years, had been done in July. These shutdowns reflect changes in labor contracts, which now permit mills to remain open throughout the entire month of July. They may be considered as a seasonal reduction in output, in that they do not reflect changes in user demand, which appears to have remained strong. However, it is too early to tell whether the timing of the current shutdowns will be repeated in future years. Our calculations of the seasonally adjusted data for October 1987 are based on the assumption that the relatively small increase in production from September to October reflects seasonal shutdowns for maintenance and repair.

Continued on page 11

PAPER AND PAPERBOARD STATISTICS

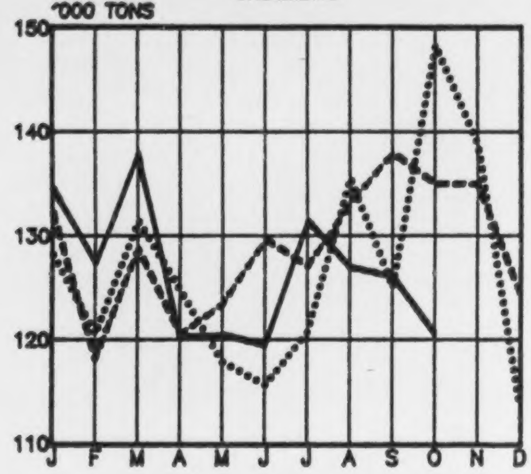
PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

	YEAR		JULY	AUGUST	SEPTEMBER	OCTOBER	Annual Rate Y-T D	% Change From same Period Last Year
	1985	1986	1987 (P)	1987 (P)	1987 (P)	1987 (P)	1987	
PAPER								
Newsprint - Production	5,428	5,630	502	498	494	508	5,833	3.7
- Shipments	5,431	5,638	498	495	498	502	5,834	3.8
Printing & Writing Sum (R)	18,423	19 601	1.754	1,792	1,760	1,788	20,640	5.3
Groundwood Paper - Shipments (R)	1,521	1,540	132	127	126	121	1,518	-1.2
- New Orders (R)	1,477	1,553	134	136	130	117	1,545	-0.1
-Unfilled Orders (R)	106	124	137	148	153	148	148	26.8
Coated Papers - Shipments (R)	5,875	6,263	584	597	591	588	6 810	9.5
- New Orders (R)	5,642	6,334	623	632	568	607	7,053	10.9
- Unfilled Orders (R)	393	469	647	678	663	686	686	31.3
Unctd Free Sheet - Shipments (R)	9,690	10,410	928	951	926	962	10,931	4.7
- New Orders (R)	9,704	10,485	945	996	941	1,015	11,058	4.6
- Unfilled Orders (R)	509	587	581	625	647	692	692	10.1
Thin Papers - Shipments	262	247	17	17	19	18	227	-9.9
Cotton Fiber Paper - Shipments	144	152	12	13	14	14	163	6.1
Bleached Bristols - Production	930	990	82	86	84	85	990	-0.8
Tissue Paper - Production	4,941	5,095	434	454	436	459	5,279	3.5
Total Packaging & Other Paper	5,204	5,117	392	416	420	435	5,059	-1.3
Unbl. Kraft Paper - Shipments	3,403	3,303	244	249	259	259	3,082	-7.3
Other Paper - Production	1,801	1,814	148	167	161	176	1,977	9.8
TOTAL PAPER-Production-Unadj.	33,996	35,443	3,081	3,161	3,110	3,189	36,810	3.9
-Production S.A.			3.056	3.059	3.062	3.065	36,555	3.9
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	25,404	27,336	2,493	2,548	2,424	2,405	28,914	5.9
Total Unbl. Kraft Paperboard	16,368	17,689	1,650	1,670	1,613	1,566	18,863	6.9
Unbl. Kraft Linerboard (1)	15,183	16,402	1,519	1,558	1,521	1,485	17,560	7.7
Production for Export	1,830	2,246	227	221	186	176	2,295	3.3
Other Unbl. Kraft Paperboard	1,184	1,287	131	112	92	81	1,303	-2.7
Semichemical Paperboard	5,088	5,376	471	481	469	474	5,637	4.8
Production for Export	189	213	16	11	14	13	195	-3.0
Solid Bleached Paperboard	3,948	4,271	372	397	342	365	4,414	3.2
Production for Export	466	569	43	46	47	43	565	-0.4
Recycled Paperboard	7,630	8,083	664	752	705	755	8,577	5.5
Production for Export	26	70	12	5	5	5	55	-23.3
TOTAL PAPERBOARD-Prod.-Unadj.	33,034	35,419	3,157	3.300	3,135	3,160	37,498	5.8
- Containerboard Prod.(Dom. Use)	20,042	21,426	1,935	2,004	1,976	1,970	22,970	7.6
- Boxboard Prod.(Dom. Use) (2)	5,673	5,903	498	559	492	535	6,174	3.8
- All Other P'bd Prod.(D.U.) (2)	4,808	4,992	426	453	410	419	5,238	3.3
- Total Paperbd Prod. for Export	2,511	3,097	297	283	251	236	3,110	1.6
TOTAL PAPERBOARD PROD.- S.A.		-	3,119	3,129 1.055	3,138 0.999	3,148 1.004	37,206	5.8
TOTAL PAPER AND PAPERBOARD Production - actual	67,030	70,861	6,238	6.460	6 245	6.349	74,308	4.8
Production - S.A.			6,175	6,188	6.200	6,213	73,762	4.8

(1)Includes all exports of kraft paperboard. R - Revised P - Preliminary S.A. - Seasonally Adjusted
(2)Data for unbl. kraft folding boxboard incl. in All Other P'bd.

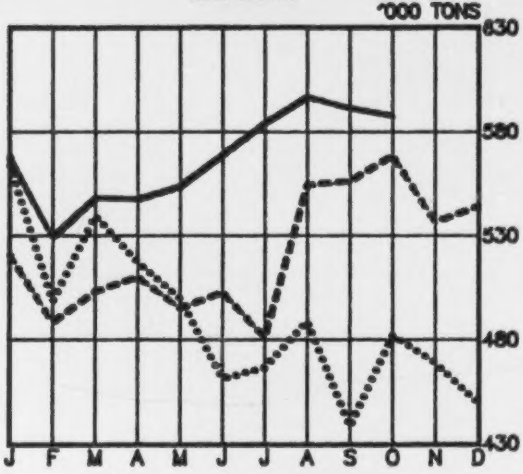
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



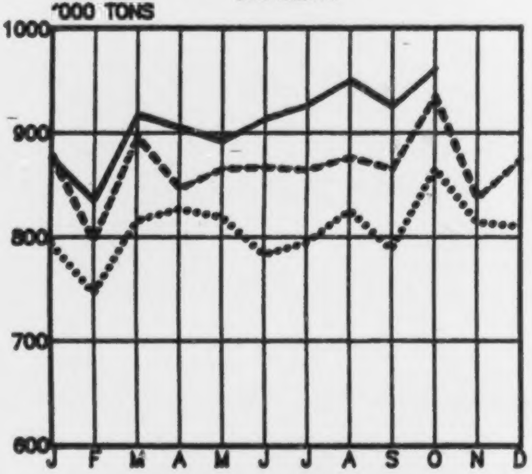
COATED PAPER

SHIPMENTS



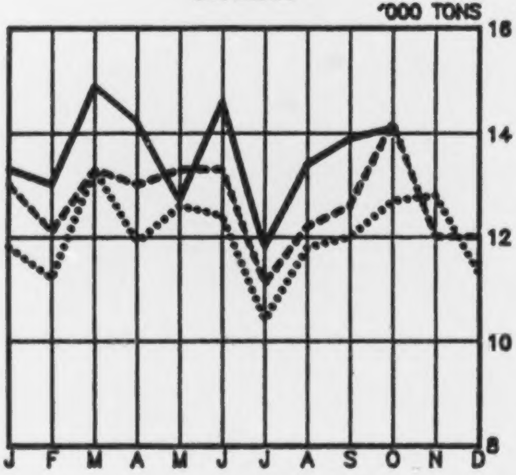
UNCOATED FREE SHEET PAPERS

SHIPMENTS



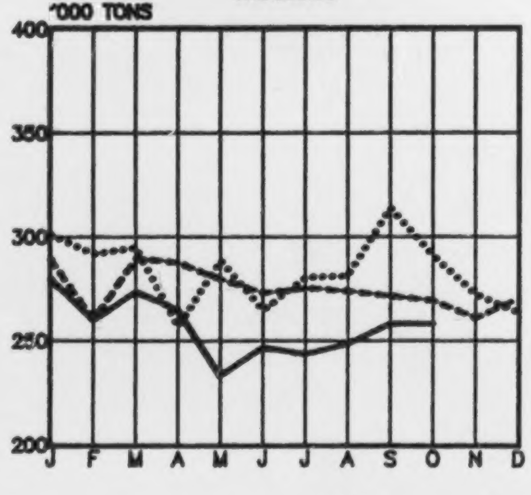
COTTON FIBER PAPER

SHIPMENTS



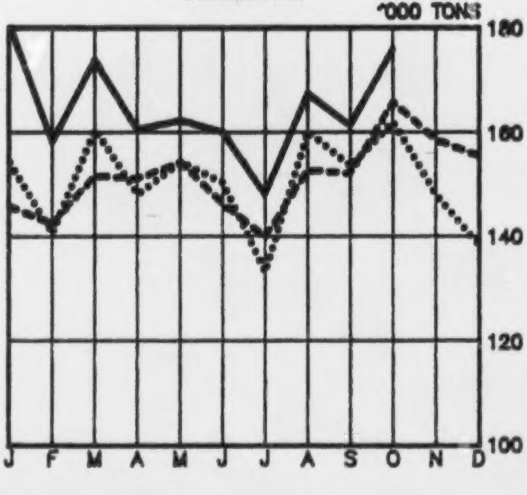
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1985 ········ 1986 ----- 1987 ——

WOOD PULP STATISTICS
(Thousands of Tons)

		YEAR 1985	1986	JUNE 1987	JULY 1987	AUGUST 1987 R	SEPTEMBER 1987 P	Annual Rate Y-T-D 1987	% Change from same Period Last Year
Total Wood Pulp	- Production	54,147	57,017	4.971	5,111	5,083	4,919	59,395	4.7
	- Imports	4,466	4.582	390	401	380	546	5.017	9.1
	- Exports	3,791	4,458	455	463	390	442	4,888	8.1
	- New Supply	54,821	57,140	4.906	5.049	5.073	5.023	59.524	4.8
Dissolving Pulp	- Production	1,174	1,258	113	123	102	112	1,303	3.6
	- Imports	175	255	21	11	22	19	215	-17.2
	- Exports	631	711	62	65	62	65	755	6.7
	- New Supply	718	801	72	69	62	66	764	-5.7
Paper Grades Chemical Pulp	- Production	43,696	46,081	4,035	4,141	4,162	3,942	48,164	5.1
	- Imports	4,104	4,220	354	367	349	506	4,629	9.7
	- Exports	3,131	3,689	391	396	326	376	4,109	9.4
	- New Supply	44,668	46,612	3,998	4,111	4.186	4.071	48.684	5.2
Groundwood and Thermo-Mech.	- Production	5,251	5,487	468	484	487	506	5,677	4.0
	- Imports	187	108	14	23	8	2	146	22.7
	- Exports	29	59	1	2	2	1	23	-60.1
	- New Supply	5,409	5,536	481	506	493	507	5.799	5.1
Semi-Chemical	- Production	4,027	4,191	355	364	333	359	4,250	1.6
	- Imports								
	- Exports								
	- New Supply	4,027	4,191	355	364	333	359	4.250	1.6
MARKET WOOD PULP									
Total Market Wood Pulp	- Production	6,800	7,583	692	729	708	680	8.087	7.4
	- Imports	2,791	3,121	280	285	268	292	3,219	3.9
	- Exports	3,784	4,470	442	439	369	469	4.784	6.6
	- New Supply	5,807	6,234	530	574	607	503	6,522	6.2
Dissolving Pulp	- Production	1,172	1,251	113	123	102	112	1,299	3.9
	- Imports	174	212	17	6	19	15	164	-25.3
	- Exports	667	718	74	65	54	88	780	9.7
	- New Supply	679	745	56	63	66	40	684	-9.9
Paper Grades Chemical Pulp	- Production	5,613	6,315	578	605	604	566	6.773	8.1
	- Imports	2,531	2,831	256	263	245	269	2.957	6.1
	- Exports	3,117	3,752	368	375	315	382	4.005	6.0
	- New Supply	5,028	5,394	466	494	535	454	5,726	8.5
Groundwood Pulp and All Other	- Production	15	17	1	1	1	1	14	-12.3
	- Imports	86	78	6	16	4	8	98	7.5
	- Exports	1	0	(0)	0	0	0	0	0.0
	- New Supply	100	95	8	17	5	9	112	4.6

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

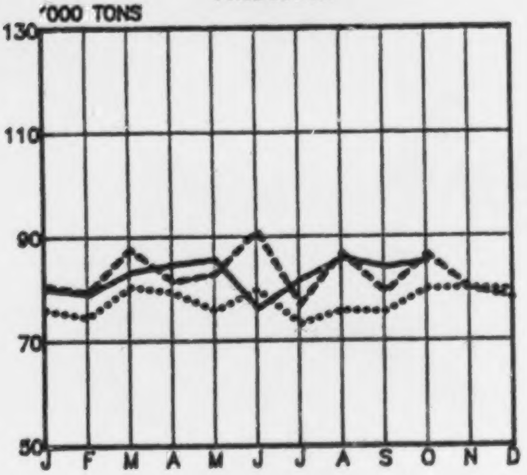
FIBROUS RAW MATERIALS
(Thousands of tons)

CONSUMPTION AT PAPER & PAPERBOARD MILLS					R	P		
Total	69,670	72,990	6,332	6.437	6.482	6.501	76,288	5.0
Total Wood Pulp	54,047	56,320	4,859	4,984	4,943	5,013	58,705	4.8
Waste Paper	15,623	16,670	1,474	1,453	1,539	1.488	17.583	5.7
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers' Own-Use Inventories	165	174	177	173	177	167	167	-10.5
Producers' Market Inventories	485	284	276	281	340	272	272	-10.0
Consumers' Purchased Inventories	503	569	593	608	605	629	629	9.8
Waste Paper at Paper & Bd. Mills	969	832	773	797	745	804	804	0.7
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	30	16	15	15	18	14	14	-17.6

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons

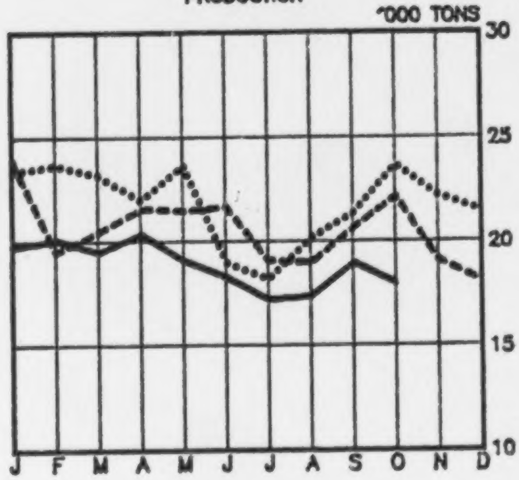
BLEACHED BRISTOLS

PRODUCTION



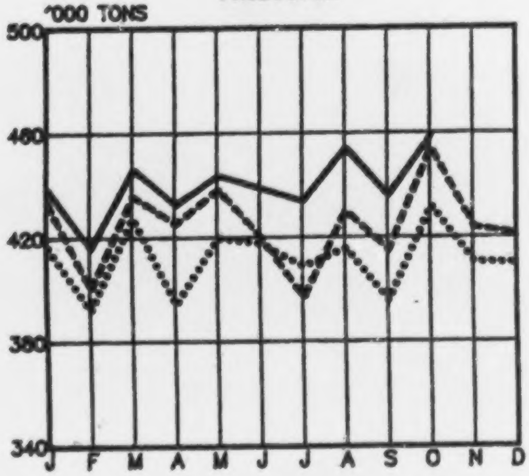
THIN PAPER

PRODUCTION



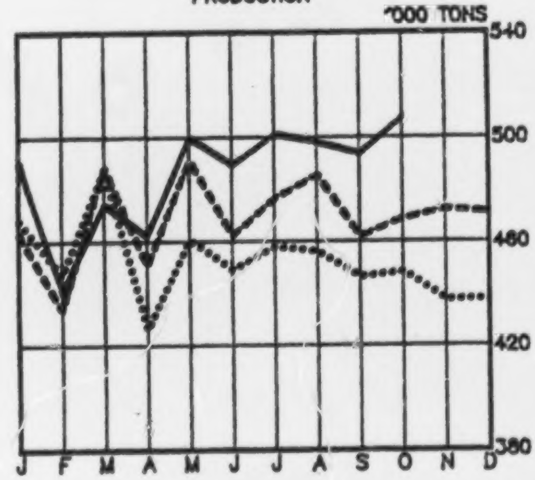
TISSUE PAPER

PRODUCTION



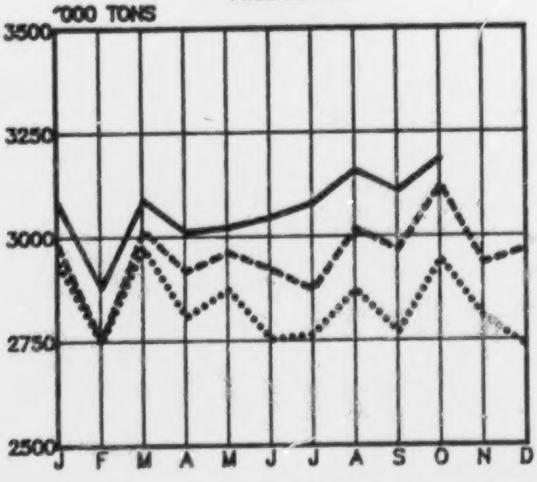
NEWSPRINT

PRODUCTION



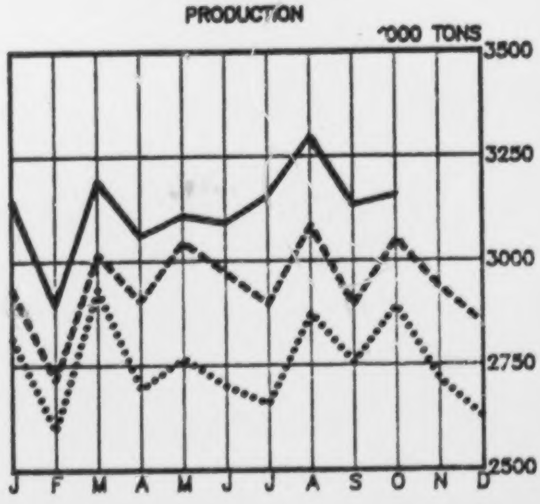
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1985 ········ 1986 - - - - - 1987 ————

FIBROUS RAW MATERIALS

(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1985	YEAR 1986	JUNE 1987	JULY 1987	AUGUST 1987	SEPTEMBER 1987	Annual Rate Y T D 1987	% Change From Same Period Last Year
PULPWOOD									
Total U.S.	- Total Receipts	85 499	90 943	7.743	8.264	7 643	8.061	94,195	4.1
	- Total Consumpt	85,744	91.434	7,723	8.195	7,729	7.856	93,865	3.3
	- Residues *	30,464	32,755	2,739	2,778	2 637	2,848	32,692	-0.5
	- Inventories	5.046	4,794	4 651	4,782	4.703	5,044	5,044	1.5
So. Atlantic	- Total Receipts	27 589	29.513	2,555	2 688	2.529	2,826	30,948	5.2
	- Total Consumpt	27,815	29 425	2,530	2,651	2,519	2.773	30,869	5.2
	- Residues *	7.970	9,343	768	835	779	912	9,331	1.0
	- Inventories	1,117	994	992	1,025	1,040	1,114	1,114	7.4
Northeast	- Total Receipts	7,430	7,277	586	572	554	545	6.984	-2.3
	- Total Consumpt	7,394	7,227	580	591	596	539	7,164	-0.6
	- Residues *	1,539	1,419	147	108	117	129	1,536	8.2
	- Inventories	544	484	440	447	471	514	514	25.1
South Central	- Total Receipts	29,786	31 790	2,734	2,982	2,687	2,813	33,524	5.9
	- Total Consumpt	29,914	32,113	2,752	2,937	2,707	2,698	32,925	3.3
	- Residues *	9,207	9,792	872	825	758	819	10,067	3.6
	- Inventories	1.198	926	1,033	1,088	1,048	1,180	1,180	6.6
North Central	- Total Receipts	6,430	6,571	545	607	539	539	6.480	0.6
	- Total Consumpt	6,296	6,730	575	563	559	536	6,708	-0.3
	- Residues *	1,290	1,042	86	109	104	109	1,105	5.9
	- Inventories	884	892	811	884	837	857	857	4.8
West	- Total Receipts	14,264	15,792	1.323	1,415	1,334	1 338	16,259	3.0
	- Total Consumpt	14,325	15,939	1,286	1,453	1.348	1,310	16,199	2.9
	- Residues *	10,458	11,159	866	901	879	879	10,653	-6.9
	- Inventories	1,303	1,498	1,375	1,338	1,307	1,379	1.379	-13.7

* - Consumption of Residues in Cord Equivalents.

SOURCE. American Pulpwood Association

20 Nov 87

UNITED STATES TRADE WITH CANADA

IMPORTS FROM CANADA

	YEAR 1986 Tons	1986 ($000's)	AUGUST 1987 Tons	AUGUST 1987 ($000)	SEPTEMBER 1987 Tons	SEPTEMBER 1987 ($000)	Annual Rate Y-T-D 1987 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	59,490	4,224	2,803	181	16	1	7,499	-88.9
Pulpwood chips	723,257	19,488	33,837	1,598	46,334	1,589	389,113	-46.6
Wood Pulp, Total	3,949,414	1,422,180	327,433	141,010	366,503	156,043	4,317,994	9.5
Waste Fibrous Materials, Total	157,870	27,196	14,883	2,984	12,005	2,110	182,915	12.0
Paper, Board & Products, Total	9,963,486	4,467,761	853,937	424,134	918,947	455,729	10 633,938	6.8
Paper, Paperboard, Wet Machine Bd. & Constr. Paper & Bd.	9,842,154	4,268,820	842,651	405,321	906,595	433,403	10,487 919	6.6
Paper, Paperboard & Products	9,715,710	4,393.592	833,830	417,782	900,152	450,319	10,398,441	7.2
Paper & Paperboard, Only	9,594,378	4,194,651	822,544	398,969	887.800	427 993	10,252,421	7.0
Paper, Total	9,367,380	4,130,464	798,880	391,390	863,265	420,087	9,997,677	6.9
Newsprint	8.269,333	3,556,983	676,091	325,054	739,101	352,218	8,640,619	4.0
Printing, Writing & Rel. Pap.	868,628	457,685	101,085	54,657	100,219	55,407	1,092,445	33.2
Pack. & Ind. Conv. Paper	182,481	81,492	17.734	8,389	20,784	9.720	220,091	22.8
Special Industrial Paper	4,766	7,893	426	784	400	709	5,482	21.7
Tissue Paper	42,173	26,411	3,543	2,506	2,761	2,034	39.039	-4.8
Paperboard, Total	226,998	64.187	23,664	7,579	24,535	7,906	254,745	13.6
Convtd Paper&Paperbd Products	121,332	198,941	11,286	18,813	12,352	22,326	146 019	21.7
Wet Machine Board	2,332	1,570	228	157	209	143	2,909	28.5
Construction Paper & Board	245,444	72,599	19,880	6.195	18,586	5.267	232,588	-7.9
EXPORTS TO CANADA								
Pulpwood, Roundwood (in cords of 128 cubic feet)	39,191	2.201	4493	291.6	0	0	8,319	-76.8
Pulpwood chips	262,844	13,577	39[illegible]1	253.8	4,685	337	71,616	-45.9
Wood Pulp, Total	262,353	76,591	19090	7278.8	25,028	9.417	212,528	-19.2
Cotton Pulp & Other Pulp	33,629	10.458	7494	1631.8	8,560	1,506	56,097	85.4
Waste Paper	226,215	23,254	25159	2711.7	23,728	2,673	275,111	28.3
Paper, Board & Products, Total	725,421	464,684	85952.7	46964.4	105,707	58,075	945,533	32.9
Paper, Paperboard, Wet Machine Bd. & Constr. Paper & Bd.	570,635	315,710	61355.5	30835.8	74,326	40,043	698,674	24.9
Paper, Paperboard & Products	695,561	452,129	83912.4	45953.8	101,827	56,298	909,382	33.0
Paper & Paperboard, Only	540,775	303,154	59315.2	29825.2	70,445	38,266	662,522	24.6
Paper, Total	278,911	200,168	21754.3	19826.3	27.175	24.568	294,909	5.4
Newsprint	6,040	4,457	215.9	196.1	238	194	4.912	18.5
Printing, Writing & Rel. Pap.	121,167	99,480	10926.6	9553.8	14,275	12 567	146,422	22.5
Pack. & Ind. Conv. Paper	25,614	16.467	2180.2	1732.7	2,003	1,613	24,476	-4.6
Special Industrial Paper	122,874	75,189	7902.3	7900.2	10,093	9,379	113,418	-10.9
Tissue Paper	3,217	4,577	529.3	443.5	566	815	5,680	85.8
Paperboard, Total	261,864	102 986	37560.9	9998.9	43,271	13,698	367,613	45.9
Convtd Paper&Paperbd Products	154,786	148,975	24597.2	16128.6	31,382	18,032	246,859	62.1
Wet Machine Board	10,728	4.638	436	221.7	793	395	10,566	1.6
Construction Paper & Board	19,132	7,918	1604.3	788.9	3,088	1,382	25,586	47.5

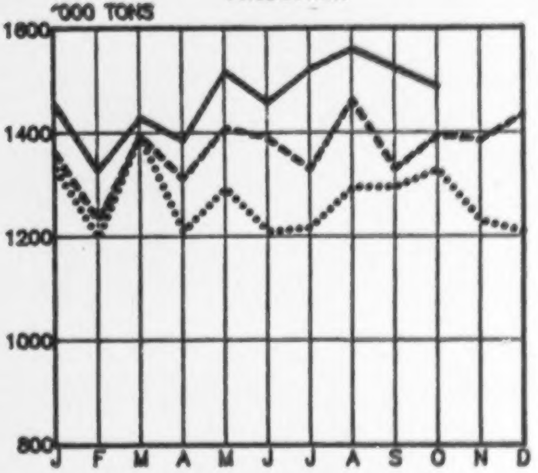
SOURCE: Bureau of Census, Department of Commerce .

E - Estimate of tonnage based on square foot data

20-Nov-87

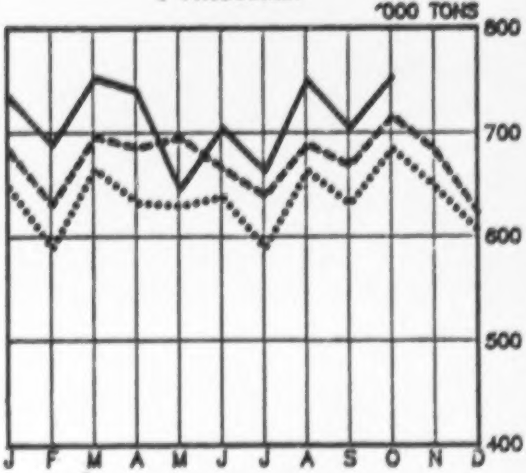
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



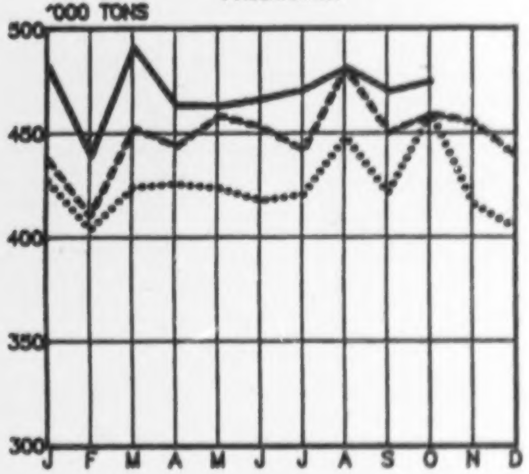
RECYCLED PAPERBOARD

PRODUCTION



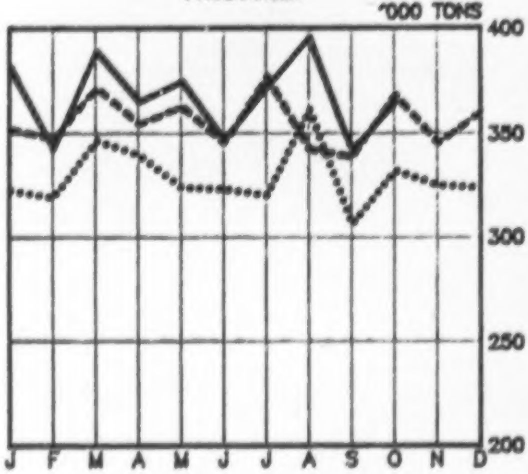
SEMICHEMICAL PAPERBOARD

PRODUCTION



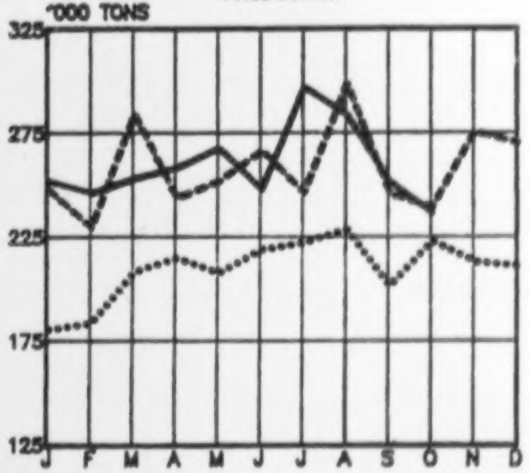
SOLID BLEACHED PAPERBOARD

PRODUCTION



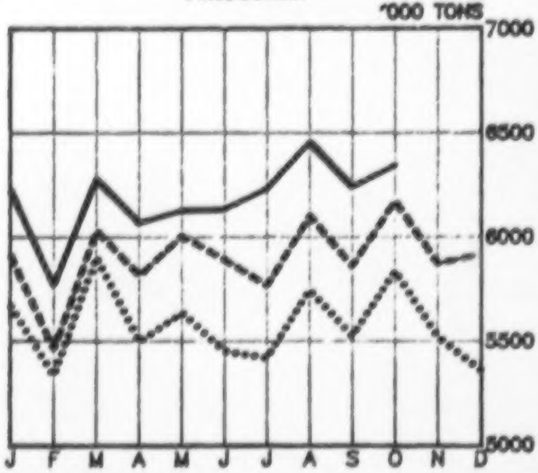
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1985 ········ 1986 – – – – 1987 ———

IMPORTS

	YEAR 1986 Tons	1986 $000	1987 AUGUST Tons	1987 AUGUST $000	1987 SEPTEMBER Tons	1987 SEPTEMBER $000	(1) Annual Rate YTD 1987 Tons	% Change from same Period Last Year
Pulpwood Roundwood (cords)	60,850	4,563	2,003	101	16	1	7.565	-89.04
Pulpwood Chips	724,828	19,642	34,029	1,606	46,549	1,502	475,735	-34.37
Total All Imports	16,722,494	7,674,736	1,428,232	741,647	1,563,003	796,747	17,800.143	6.79
Wood Pulp Total	4,581,760	1,601,370	380,031	163.594	432,275	186.914	4,864,872	5.83
Waste Paper	99,313	11,102	10,770	1,722	9.606	1,376	119,199	23.52
Other Fibrous Materials	104,969	26,326	6,040	2,305	3,331	1,108	81.975	-31.62
Paper Board & Products Total	11,936,452	6,035,850	1,031,384	574,025	1,117,792	607,349	12,734,097	7.42
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	11,546,545	5,247,129	1,001,270	496,561	1,088,199	533,821	12,328,601	7.50
Paper Ppbd & Prds ex Cnst&WMB	11,596,808	5,928,457	1,003,146	564,108	1,091,554	599,454	12,408,092	7.80
Paper & Paperboard Only	11,206,901	5,139,735	973,032	486,644	1,061,961	525,926	12,002,596	7.09
Paper Total	10,925,453	5 051,917	945,268	477,687	1,028,501	513,808	11,635,113	7.15
Newsprint	8,587,507	3,682,351	708,175	338,549	779,893	367,745	9,004,640	4.27
Printing & Writing	2,029,302	1,179,802	208,345	119,808	215,189	125,277	2,261,910	17.70
Uncoated Groundwood	1,028,231	531,149	101,021	50,554	114,405	58,950	1,194,818	24.03
Coated Print.& Impreg. Pap.	501,382	359,495	70,009	46,309	60,780	41,131	629,113	30.56
Uncoated Free Sheet	453,638	254,627	33,656	19,985	37.151	22,152	387,379	-11.12
Uncoated Book	223,798	126,278	20,207	11,202	21.977	12,560	213,759	-2.53
Writing and Similar Paper	229,841	128,349	13,449	8.783	15,173	9,592	173,620	-19.82
Thin (except Cigarette)	45,351	33,831	3,619	2,910	2,819	2,991	49,702	10.65
Bristols	700	700	41	50	34	53	826	22.92
Total Pkg & Other Paper	242,571	146,212	24,979	16,457	29,855	17,070	313,565	32.46
Unbleached Kraft Paper	115,008	42,650	11,359	4,856	16,613	6,085	170,836	53.77
Other Pkg. & Indust. Paper	127,562	103.562	13,620	11,601	13,242	10,985	142,730	13.61
Tissue	66,073	43,552	3,769	2,792	3,565	2,916	54,902	-15.75
Paperboard, Total	281,448	87,818	27,764	8,956	33,460	12,118	367,483	30.26
Test or Containerboard	78,063	25,596	5,581	2,212	7.456	2,596	78,907	3.95
Semi-Chemical Corrugating	99,062	22,092	11,302	2,731	11,392	3,112	125,430	29.50
Other Paperboard	104,324	40,130	10,881	4.014	14,612	6.409	163,146	75.20
Convtd Paper&Paperbd Products	389,907	788,721	30,114	77,464	29,593	73,529	405,495	5.18
Paper Products, Total	361,517	730,257	27,563	71,664	26,877	67.918	371,235	3.99
Paperboard Products, Total	28,390	58,464	2,551	5,800	2,716	5,611	34,260	20.08
Wet machine Board	3,235	2,525	274	216	268	226	3,467	5.26
Construction Paper & Board	336,409	104,868	27,964	9,702	25,969	7,670	322,539	-5.48
Notes								
Other: No Weight Avail. ($000)		212,338		15,122		18,008	207,051	-0.09
Total Imports Incl. Other($000)		7.887.074		756.768		814,755	9,061,136	17.12

EXPORTS

	YEAR 1986 Tons	1986 $000	1987 AUGUST Tons	1987 AUGUST $000	1987 SEPTEMBER Tons	1987 SEPTEMBER $000	(1) Annual Rate YTD 1987 Tons	% Change from same Period Last Year
Pulpwood, Roundwood (cords)	42,190	2,373	5,202	324	0	0	10,827	-72.87
Pulpwood Chips	2,428,333	170,022	310,345	22,629	239,693	10,253	2,458,232	10.99
Total All Exports	13,051,152	4,685,447	1,260,265	516,772	1,260,133	523,282	14,597,415	11.87
Wood Pulp,Total	4,458,312	1,662,466	390,027	184,606	442,106	208,466	4,887,520	8.05
Cotton Pulp and Other Pulp	157,452	72,500	24,684	11,206	19,105	8,625	182,459	13.56
Waste and Old Paper	3,748,711	411,076	351,482	45,629	355,897	44,590	4,192,591	12.48
Paper, Board & Products,Total	4,686,677	2,539,405	494,072	275,332	442,945	261,601	5,334,845	15.04
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	4,160,179	1,853,616	429,027	207,935	368,247	189,548	4,614,316	11.05
Paper, Ppbd & Prod ex Cnst&WMB	4,592,635	2,487,507	485,777	270,985	434,325	257,178	5,230,580	15.09
Paper & Paperboard, Only	4,066,137	1,801,718	420,732	203,588	359,627	185,125	4,510,051	11.04
Paper, Total	883,689	642,597	82,761	69,169	75,266	69,991	911,721	5.74
Newsprint	392,228	194,549	34,955	20,535	19,970	13,123	342,000	-5.04
Printing & Writing	190,656	185,271	21,053	19,329	24,799	24,952	242,037	26.95
Uncoated Groundwood	40,847	20.947	5,787	3,998	6,231	4,506	52,969	25.02
Clay Coated Paper	78,248	57,856	7,860	5,398	9,207	6.620	97,238	24.45
Uncoated Free Sheet	50,140	71,354	5,450	7,272	7,101	10,597	65,517	32.32
Other Printing & Writing	21,420	27,114	1,957	2,662	2,101	3.229	26,313	25.84
Total Pkg. & Other Paper	284,048	241,426	22,709	26,450	26,248	28,405	291,415	-0.28
Unbleached Kraft	78,248	32,009	7,223	3,704	6.521	3,197	85,437	5.50
Other Pkg. & Indust. Paper	205,800	209,417	15,486	22,753	19,726	25,208	205,978	-2.49
Tissue	16,758	21,351	4,044	2,047	4,241	3,512	36,100	125.92
Paperboard, Total	3,182,448	1,159,121	337,971	134,418	284,361	115,135	3,598,330	13.49
Solid Wood Pulp	2,982,973	1,074,964	303,258	122,236	248,031	103,243	3.272,483	9.36
Total Linerboard	2,177,420	635,749	227,603	81,508	175,889	64,151	2,343,953	6.99
Bleached Kraft Linerboard	133,787	51,448	9.097	4,438	15,003	6.069	87,939	-39.00
Unbleached Kraft Linerbd	2,043,633	584,301	218,506	77,070	160,886	58,083	2,256,014	10.23
Other Unbleached Kraft	157,614	57,540	20,218	7,084	17.644	6.433	220,860	42.24
Other Bleached Kraft	571,290	359,954	51,447	31,716	52,230	31,644	637,625	11.05
Semi-Chemical Corrugating	76,641	21,713	3,910	1,200	2,267	1,015	70,044	-8.26
Recycled Paperboard	199,476	84,157	34,713	12,182	36,331	11,092	325,848	82.99
Convtd Paper&Paperbd Products	526,497	685,789	65,045	67,397	74,698	72,053	720,529	40.72
Paper Products, Total	240,171	456,429	26,865	45,311	27,934	47,764	299,988	30.17
Paperboard Products, Total	286,327	229,360	38,180	22,086	46,764	24,288	420,541	49.36
Wet Machine Board	10,893	7,259	693	350	1,157	525	10,226	-2.01
Construction Paper & Board E	75,149	44,639	7,602	3,997	7.463	3,898	86,839	16.27
Notes								
Other: No Weight Avail. ($000)		7,298		702		681	7,937	5.04
Total Exports Incl. Other($000)		4,692,745		517,474		523,963	5,948,457	20.53

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.

(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description.

PRODUCER PRICE INDEXES

1967 = 100

	1985	1986	JULY 1987	AUGUST 1987	SEPTEMBER 1987	OCTOBER 1987	Annual Rate Y T D 1987	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	292.0	293.9	311.5	312.8	316.9	319.0	310.7	6.2
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	294.5	295.9	312.9	314.3	318.3	320.5	312.2	5.9
Total Wood Pulp	346.6	358.7	420.8	422.6	444.0	445.2	419.7	18.8
Total Paper	303.4	306.3	318.0	319.5	321.4	324.9	317.4	4.1
Total Paper, exc. Newsprint	298.8	300.4	303.8	305.4	307.7	314.1	305.5	2.1
Newsprint	332.9	326.1	355.8	367.1	369.2	368.4	351.5	8.3
Total Paperboard	274.6	271.9	296.3	300.7	308.5	310.8	297.8	10.1
Total Paper and Paperboard *	294.4	295.4	311.2	313.6	317.4	320.5	306.0	5.9
Converted Products	288.1	289.3	302.7	303.3	306.3	308.1	302.0	4.7
Waste Paper	148.8	172.8	226.2	227.0	234.2	232.5	219.1	30.7
All Commodities	308.9	299.8	310.2	310.5	310.4	311.4	300.9	2.7
Industrial Commodities	324.0	312.1	322.6	323.8	323.3	324.9	319.4	2.2

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

ANNUAL GROWTH FOR PAPER/PAPERBOARD CAPACITY
(000 short tons)

	Capacity	Annual Growth
1980	66,368	2.7%
1981	68,172	2.7
1982	70,086	2.8
1983	71,126	1.5
1984	73,098	2.8
1985	74,301	1.6
1986	75,777	2.0
1987E	78,021	3.0
1988E	79,799	2.3
1989E	81,847	2.6
1990E	84,104	2.8

Source: API Capacity Survey

E = Estimate

The graphs on page 8 show these changes in seasonal patterns. In July of 1985 and 1986 both unbleached kraft and semichemical paperboard showed a decline in production, whereas in July of 1987 production of both grades increased. Similarly, the October production levels reflected these new seasonal movements.

Although production of solid bleached paperboard in October moved in line with past seasonal trends, the weekly data show declines in the last week of the month and in the first week of November. The timing of this decline apparently had a smaller impact on the monthly production total.

Recycled paperboard, while not sharing these seasonal changes, accounted for most of the tonnage increase in production from September to October (see table on page 3). Operating rates averaged about 95% for October, an unusually high rate for recycled paperboard mills. The year-to-date total showed a 5.5% gain in production over its year-ago rate, reflecting 5% gains in production of recycled folding boxboard and non-packaging recycled paperboard, together with a 6.3% gain in production of recycled corrugating material. The gain in recycled folding paperboard, incidentally, was about twice the increase shown in production of solid bleached folding boxboard.

FIBROUS RAW MATERIALS

Market Pulp: Production of chemical paper grade market pulp remained at full capacity in October 1987, matching the year-to-date rate. Shipments in October equalled the production total and inventories held by producers remained flat at a relatively low 14 days of supply.

The 10-month 1987 rate of production amounted to a record-high 6.8 million short tons per year, 9.3% above its comparable 1986 level. Shipments also matched production for the entire 10-month 1987 period, but showed a gain of only 5.6% over their year-earlier total, reflecting the effect of the reductions in producers' inventories during 1986.

The gain in shipments was concentrated in exports, which increased by 7.0%; shipments to the domestic market rose by 3.6% in this period. Exports to the important Western Europe markets rose by 5.5%, accounting for 43% of total exports. The largest percentage gain was shown in shipments to Latin America. These shipments, which accounted for 14% of the export total, rose by 25%.

Fibrous Materials Consumption: Consumption of waste paper at paper and paperboard mills appears to be growing somewhat faster than that of wood pulp. Data for the first nine months of 1987, as reported in the table at the bottom of page 5, show wood pulp consumption up 4.8%; waste paper consumption up 5.7%.

This table also shows a shift in market pulp inventories from producers to consumers. As of the end of September 1987 inventories at producers were 10% below the year-ago level; inventories at consumers were up 10%

PAPER INDUSTRY CAPACITY PLANS

U.S. capacity to produce paper and paperboard will increase an estimated 3.0% this year, to 78.0 million tons, and then grow at an average annual rate of 2.5% between 1987 and 1990, according to the American Paper Institute's 30th annual Capacity Survey. (See table on page 10.) The anticipated 3.0% gain for 1987 represents the largest annual increase since 1973, reflecting efforts by the industry to meet the strong demand evident in 1987, particularly with respect to newsprint, printing and writing papers, and unbleached kraft paperboard. The gain also reflected the addition of one working day as a result of the changes in union contracts permitting mills to remain open during vacation periods. Correction for this factor adjusts the 1987 increase to 2.6%. Anticipated capacity growth for the four-year period from 1986 through 1990 will average 2.6% annually, which is significantly higher than the 2.1% average rate of growth recorded during the preceding ten years.

Total wood pulp capacity (excluding pulp for construction paper and board) is expected to reach 60.8 million tons in 1987, representing a 1.8% gain over 1986, and then increase at an average rate of 1.9% a year between 1987 and 1990. Although expected growth of wood pulp capacity is lower than for paper and paperboard, there are no indications of a fiber imbalance because mills plan to use more recyclable paper and imports of wood pulp can increase.

Of the 10.2 million tons increase in net paper and paperboard capacity between the end of 1984 and the end of 1990, 14% will come from new machines in greenfield mills and 30% from new machines at existing mills. Miscellaneous improvements, including machine rebuilds, conversions of machines to produce new products, grade and basis weight changes, and other improvements will account for a full 81% of the net new capacity growth. However, the gains from new machines and miscellaneous improvements will be partially offset by the retirement of older plants estimated at 2.5 million tons or 25% of the net gain.

The Capacity Survey has been distributed to API members. Others may purchase this Survey for $275 each, domestically, and $300, overseas, from the Capacity Department, Box SM, American Paper Institute, 260 Madison Avenue, New York, NY 10016.

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

NOVEMBER 30, 1987

PRODUCTION (000 TONS)

	OCTOBER	SEPTEMBER	OCTOBER	FIRST TEN MONTHS		% CHANGE YR TO DATE
	1987	1987	1986	1987	1986	1987/1986
PAPER GRADES						
Newsprint	508	494	469	4,860	4,686	3.7
Printing & Writing	1,788	1,760	1,765	17,200	16,329	5.3
Uncoated Groundwood (s)	121	126	138	1,265	1,280	-1.2
Coated Paper (s)	588	591	569	5,675	5,182	9.5
Uncoated Free Sheet Paper (s)	962	926	936	9,109	8,697	4.7
Thin Paper (s)	18	19	22	189	210	-9.9
Cotton Fiber Paper (s)	14	14	14	136	128	6.1
Bleached Bristols (s)	85	84	87	825	832	-0.8
Tissue Paper	459	436	454	4,399	4,250	3.5
Total Pkg & Other Paper	435	420	435	4,216	4,271	-1.3
Unbleached Kraft Packaging & Indl. Converting (s)	259	259	270	2,569	2,771	-7.3
Other Paper	176	161	166	1,647	1,500	9.8
TOTAL PAPER	3,189	3,110	3,124	30,675	29,536	3.9
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,566	1,613	1,510	15,719	14,705	6.9
Unbleached Kraft Linerboard	1,485	1,521	1,392	14,633	13,588	7.7
Other Unbl. Kraft Paperboard	81	92	117	1,086	1,117	-2.7
Semichemical Paperboard	474	469	459	4,698	4,483	4.8
Bleached Paperboard	365	342	369	3,678	3,565	3.2
Recycled Paperboard	755	705	717	7,147	6,775	5.5
TOTAL PAPERBOARD	3,160	3,135	3,054	31,249	29,528	5.8
TOTAL PAPER AND PAPERBOARD	6,349	6,245	6,178	61,923	59,064	4.8

WOOD PULP (ALL GRADES)	SEPTEMBER	AUGUST	SEPTEMBER	FIRST NINE MONTHS		% Change
	1987	1987	1986	1987	1986	87/86
Dissolving & Special Alpha	112	102	104	978	943	3.6
Bleached Sulfite	108	111	105	947	973	-2.7
Unbleached Sulfite	14	15	13	124	124	0.1
Bleached & Semi-Bl. Sulfate	2099	2227	1958	19303	17967	7.4
Unbleached Sulfate	1720	1809	1662	15749	15297	3.0
Semichemical	359	333	346	3188	3137	1.6
Groundwood & Thermomechanical	506	487	448	4258	4094	4.0
TOTAL PULP DIVISION DATA	4919	5083	4637	44546	42536	4.7

(s) - Shipments R - Revised

NOVEMBER 30, 1987

	Full Year		I N D U S T R Y D A T A 1986 - 1987			Ann. Rate Year - To - Date	% From Same Pd. Last Year
				R	P		
PAPER AND PAPERBOARD -- Tons (000)	1985	1986	August	Sepcember	October	1987	
Total Production (API).......: excluding :...	67,030	70,861	6.461	6.245	6.349	74,308	4.8
Total Seasonally Adjusted....:construction:...			6,188	6,200	6,213	73,762	4.8
Imports (including Products).: and wet :..E	11,106	11,597	1,003	1,092	1,075	12,457	7.8
Exports (including Products).: machine :..E	4,009	4,593	486	434	441	5,237	15.6
Apparent Consumption.........: grades :...	74,127 a	77.866 b	6.705	6.858	6.847	80,983 c	4.7
Paper Production % Tonnage Capacity...........	90.5 g	93.0 g	93.2	94.1	93.2	93.4 gh	-
Paperboard Production % Tonnage Capacity......	90.0 g	94.4 g	100.9	98.3	95.6	97.8 g	-
			July	August	September		
IMPORTS.....:Including Construction and :...	11,521	11.936	1,034	1,031	1,118	12.734	7.4
EXPORTS.....: WMB Grades (excl. HPB) :...	4,077	4.687	446	494	443	5 335	15.0
			July	August	September		
MARKET WOOD PULP PRODUCTION - Tons (000)........	6,800	7,583	729	708	680	8,087	7.4
TOTAL WOOD PULP PRODUCTION - Tons (000).........	54,147	57.017	5.111	5.083	4.919	59.395	4.7
WOOD PULP IMPORTS - TONS (000)..................	4,466	4,582	401	380	546	5,017	9.1
WOOD PULP EXPORTS - TONS (000)..................	3,791	4.458	463	390	442	4.888	8.0
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			July	August	September		
Wood Pulp.............:consumption for:.....	55,047	56,320	4.984	4.943	5,013	53,705	4.3
Waste Paper...........:construction & :.....	15,623	16.670	1,453	1,539	1,488	17.583	5.7
TOTAL.........: WMB grades :.....	70,670	72,990	6,437	6,482	6,501	76,289	5.1
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	85,744	91,434	8.195	7.729	7.856	93,865	3.3
EMPLOYMENT (000)			August	September	October		
Paper and Allied Products..........Total......	677.7	674.3	681.0	681.8	678.2	677.5	0.6
Pulp, Paper and Board Mills........Total.....E	252.3	248.5	246.8	245.8	245.0	246.4	-0.8
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)			August	September	October		
Paper and Allied Products......................	10.82	11.14	11.41	11.69	11.49	11.39	2.4
Pulp, Paper Mills.........................E	13.11	13.58	13.99	14.45	14.30	13.98	3.1
Paperboard Mills..........................E	13.60	14.01	14.25	14.45	14.37	14.22	1.6
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1986 Q4	1987 Q1	1987 Q2		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	8.59	8.77	8.57	8.06	8.77	8.48 y	-3.3
INDEX OF OUTPUT PER MAN-HOUR (1977=100)..........			August	September	September		
:IN PULP, PAPER :...Production Workers..........	123.6	131.2	142.1	134.6	138.0	138.4	5.9
:AND BOARD MILLS:...All Employees...............	122.1	130.4	139.6	134.0	136.6	136.2	4.8
PAPER AND ALLIED PRODUCTS (Million $)			August	September	September		
Industry Shipments (Dept. of Commerce)*........	97.664	106,322	9.950	10,200	10,415	117,373	12.5
Pulp, Paper and Paperboard*..................	41,830	45,565	4,314	4,409	4,551	50,616	13.4
Inventories (End of Period) - Total Industry*..	9,728	10,250	11,021	11,052	10.990	10,990	8.9
Pulp, Paper and Paperboard*..................	3,800	4,078	4,173	4,159	4,117	4,117	4.4
			1986 Q4	1987 Q1	1987 Q2		
Sales (Corporations Only)......................	71,465	74,844	19,948	19,941	21,553	82 988	15.3
Earnings (Corporations Only)...................	2,880	3,280	957	996	1.206	4.404	46.4
Depreciation (Corporations Only)...............	3.099	3,389	883	951	942	3,786	13.8
Net Worth (Corporations Only)..................	29.694	31,221	31,221	32,231	32,843	32,843	7.7
PRICE INDEXES (Bureau of Labor Stats)1967=100			August	September	October		
Pulp, Paper & Products, ex. Building Grades....	292.0	293.8	312.8	316.9	319.0	310.7	6.2
Wood Pulp......................................	346.6	358.8	422.6	444	445.2	420.2	18.0
Waste Paper....................................	148.8	172.8	227.0	234.2	232.5	219.1	30.7
Paper..	303.4	306.3	319.5	321.4	324.9	317.4	4.1
Paperboard.....................................	274.6	271.6	300.7	308.5	310.8	298.2	10.4
PAPER DEMAND (INDEXED: 1977=100)			August	September	October		
Total Paper Production *......................	122.8	127.9	132.5	132.6	132.8	132.0	3.8
Paper New Supply *............................	128.7	133.6	137.9	141.2	140.7	138.9	4.4
Demand Indicators - (Weighted Average) *.....	142.0	148.8	157.2	157.1	157.7	154.9	4.4
Production of Nondurable Goods *...(21.2%).	125.3	130.6	138.6	138.6	139.0	136.1	4.6
Disposable Income ....*.(23.9%)	128.4	133.6	134.9	135.0	137.0	134.8	1.0
Total Printing and Publishing *...(54.9%).	154.3	162.5	174.1	173.9	174.0	170.9	5.6
Trend Factor	----------	----------	---------- Not	Available ----------	----------	----------	----------
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *.................	114.3	122.0	129.7	130.1	130.5	128.5	5.8
Production for Domestic Use	112.8	118.9	125.9	127.7	128.8	125.7	6.2
Demand Indicators - (Weighted Average) *.....	120.1	122.0	127.1	126.6	127.7	125.3	2.9
Production of Consumer Goods *...(62.06%)	120.5	124.4	129.2	128.4	129.9	127.5	2.8
Production of Equipment *...(5.75%)	146.4	142.8	150.3	151.7	153.2	148.1	3.7
Production of Materials *...(32.19%)	114.5	113.9	119.0	118.8	119.0	117.0	2.9
Trend Factor	----------	----------	---------- Not	Available ----------	----------	----------	----------
NEWSPRINT MARKETS			July	August	September		
Consumption by Publishers - Tons (000)..........	12,773	13,158	1,066	1,147	1,160	13,244	2.9
Newspaper Pub. and Printing Empl. Total(000)...	454	461	462	462	463	460	-0.1
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (PIB, Inc.)...........	155,545	153,893	9,312	10.966	14,756	145,993	-0.1
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	36,798	40,521	3,930	4,029	4,182	45,588	14.0
Inventories (End of Period).	3,267	3,552	3,548	3,470	3,494	3,494	6.1
FIBRE BOX DATA (Fibre Box Association)			August	September	October		
Fibre Box Shipments (Million square feet).......	267,451	283,921	25,023	25,876	27,647	301,208	4.4
Container'bd Inventory at Mill & Plant(000Tons).	2,549	2,238	2,437	2,421	2,266	2,266	3.9
RETAIL TRADE (Million $)			August	September	October		
Total Retail Sales *...........................	1,372,853	1,445,568	128,931	127,555	127,418	1,505,461	4.8
Nondurable Goods Stores Sales *...............	859.316	882,505	77,788	77,414	77,783	923,910	4.9
GENERAL ECONOMIC DATA			August	September	October		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	124.2	125.1	131	130.9	131.7	129.0	3.3
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1967=100).	308.7	299.8	310.5	310.4	310.4	306.8	2.2
CONSUMER PRICES (ALL ITEMS) (INDEX 1967 = 100)...	322.2	328.4	342.7	344.4	345.3	339.3	3.5
			July	August	September		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	531	586	591.2	597.4	604.7	604.7	5.4
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..			1987 Q1	1987 Q2	1987 Q3		
G.N.P. or Expenditure - Current $...............	4,010	4,235	4,378	4,445	4,521	4,448	5.5
G.N.P. or Expenditure - 1982 $..................	3,607	3,713	3,772	3,795	3,833	3,800	2.5

lb/capita

	Pap&Papbd	Othr	Totl	Popul(mil)
.a	620 +	18 =	638	239.3
.b	645 +	17 =	662	241.6
.c	664 +	17 =	681	243.8

.e - estimated by API

f - Wood Pulp Production excludes def., explo. & scrngs.
g - Adjusted for holiday shutdowns

h - Adjusted to Conform with API Division data
j - Census unpublished data; standard dev. = 6 - 8%
Q - Quarter

R - Revised
y - Full year estim. by U.S. Dept. of Com.

* - Seasonally Adjusted.

1/6/88 A2500-2

Paper Paperboard & Wood Pulp

MONTHLY STATISTICAL SUMMARY - Vol. 65 - No. 12 DECEMBER 1987

PAPER AND PAPERBOARD PRODUCTION: TREND HOLDS STEADY

At a record-high 74 million tons per year, production of paper and paperboard in the first eleven months of 1987 was 4.9% higher than last year. The growth was fairly well distributed among most of the major grades. (See table on page 3.) For the most part, the grades that were doing well earlier this year are still maintaining their strong position, while those grades that were faltering continue to exhibit weakness.

While the distribution of this growth has been well shared among the major grades, the timing has varied from grade to grade. The greatest portion of this growth occurred in the first eight months of 1987.

Paper: Paper production grew 1.3 million tons through November. Coated papers accounted for 42% of the total, uncoated free sheet 38%, tissue 15%, newsprint 14% and kraft paper -17%.

In the first eight months of 1987 production was 935,000 tons higher than in the same period last year. Coated papers contributed 47% of this growth, uncoated free sheet papers 35%, tissue paper 14% and newsprint 11%, while the decline in shipments of unbleached kraft papers reduced the growth total by 19%.

In the September-November period total paper production was 386,000 tons above its year earlier total, with coated papers and uncoated free sheet accounting for most of the growth. The distribution among these two grades reversed, with uncoated free sheet paper responsible for 46% of this growth, coated papers 29%. Newsprint and tissue accounted for 38% of this three months growth, compared with 25% of the growth in the first eight months of 1987. Here too, a decline in shipments of unbleached kraft papers offset some of this growth.

Paperboard: For the entire eleven months of 1987, paperboard production grew 1.9 million tons from the same period last year. The distribution of this growth among the various grades was as follows: 59% unbleached linerboard, 23% recycled paperboard, 12% semichemical, and 6% solid bleached paperboard.

Continued on page 2

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Similarly, total paperboard production in the first eight months of 1987 was 1.4 million tons higher than in the comparable 1986 period. Unbleached linerboard was the largest contributor to this growth, accounting for 55% of this total. Recycled paperboard contributed 22%; semichemical paperboard 13%; solid bleached paperboard 8%. The same trend continued in the September-November period, with unbleached paperboard accounting for 72% of the total growth and recycled paperboard 28%. The growth in semichemical paperboard declined to 8%; that of solid bleached to zero.

FIBROUS RAW MATERIALS

Market Pulp: Production of chemical paper grade market pulp declined 10.2% in November, to 521,000 tons, following an October-November pattern evident throughout the past decade. Although capacity utilization for chemical grade market pulp fell to 94% in November from 101% the previous month, operating rates for this segment of the pulp industry averaged 100% of reported capacity during the first 11 months of the year. Cumulative production of chemical grade market pulp through November of 1987 exceeded its year-ago rate by 7.4%.

Both domestic and export shipments of chemical paper grade market pulp also declined from their October level in November. Because shipments trailed production, inventories of chemical grade market pulp rose by 26,000 tons in November, and days of supply climbed from 14 at the end of October to 16 at the end of November.

Total Pulp: Total U.S. wood pulp production ran at an annualized rate of 59.5 million tons through October of 1987, which was 4.7% ahead of its year-ago rate. That increase was in line with consumption of wood pulp at paper and paperboard mills, which posted a cumulative year-to-date gain of 4.5%.

CAPITAL EXPENDITURES

Expenditures on new plant and equipment by U.S. paper companies are expected to rise by 25% from 1987 to 1988, going from $8.96 billion to $11.22 billion, according to a survey published by the Department of Commerce on Dec. 17, 1987. This report, part of their quarterly analysis of plant and equipment expenditures by U.S. industries, showed the paper industry gain to be the largest among all U. S. industries, 3.5 times the 7.3% gain reported for all industries and nearly twice the 13% gain expected in total non-durable goods industries.

The report also showed a strong 13.6% gain in these expenditures by paper companies from the third to fourth quarters of 1987, bringing the fourth quarter rate to $10.16 billion per year. Expenditures are expected to rise throughout the first half of 1988, reaching $11.58 billion per year in the second quarter and then levelling off to $11.5 billion per year in the second half.

Continued on page 11

PAPER AND PAPERBOARD STATISTICS

PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

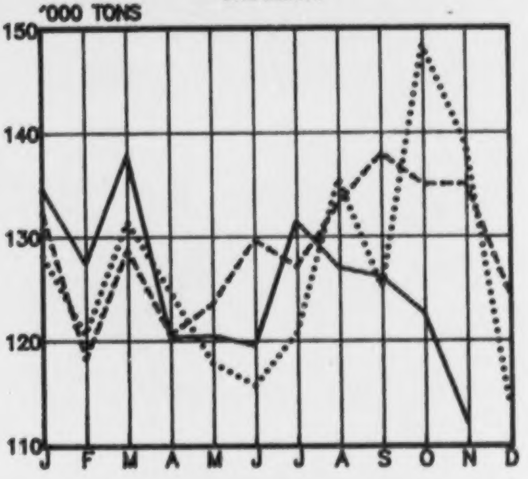
	YEAR 1985	YEAR 1986	AUGUST 1987 (P)	SEPTEMBER 1987 (P)	OCTOBER 1987 (P)	NOVEMBER 1987 (P)	Annual Rate Y-T-D 1987	% Change From same Period Last Year
PAPER								
Newsprint - Production	5,428	5,630	498	494	508	482	5.828	3.6
- Shipments	5,431	5,638	495	498	502	484	5,832	3.7
Printing & Writing Sum (R)	18,423	19.601	1,792	1,762	1,808	1,729	20,674	5.6
Groundwood Paper - Shipments (R)	1,521	1,540	127	126	123	112	1,505	-2.5
- New Orders (R)	1,477	1,553	136	130	118	109	1,524	-2.1
-Unfilled Orders (R)	106	124	148	153	147	145	145	23.7
Coated Papers - Shipments (R)	5,875	6,263	597	591	602	581	6.841	9.7
- New Orders (R)	5,642	6,334	632	568	628	526	7,008	10.4
- Unfilled Orders (R)	393	469	678	663	692	635	635	30.0
Unctd Free Sheet - Shipments (R)	9,690	10,410	951	928	961	926	10,949	5.3
- New Orders (R)	9,704	10,405	996	943	1,020	928	11,073	5.2
- Unfilled Orders (R)	509	587	625	652	704	701	701	17.6
Thin Papers - Shipments	262	247	17	19	18	17	224	-10.1
Cotton Fiber Paper - Shipments	144	152	13	14	14	11	161	5.4
Bleached Bristols - Production	930	990	86	84	89	82	994	-0.1
Tissue Paper - Production	4,941	5,095	457	447	458	454	5,308	4.1
Total Packaging & Other Paper	5,204	5,117	416	420	435	419	5,056	-1.2
Unbl. Kraft Paper - Shipments	3,403	3,303	249	258	259	243	3,068	-7.3
Other Paper - Production	1,801	1,814	167	161	176	176	1,988	9.9
TOTAL PAPER-Production-Unadj.	33,996	35,443	3,163	3,123	3,209	3,083	36,866	4.1
-Production-S.A.			3.074	3.078	3.083	3.087	36,695	4.1
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	25,404	27,336	2,548	2,424	2,405	2,331	28,828	5.7
Total Unbl. Kraft Paperboard	16,368	17,689	1,670	1,613	1,566	1,520	18,815	6.7
Unbl. Kraft Linerboard (1)	15,183	16,402	1,558	1,521	1,485	1,444	17,538	7.4
Production for Export	1,830	2,246	221	186	176	139	2,238	0.3
Other Unbl. Kraft Paperboard	1,184	1,287	112	92	81	84	1,276	-1.8
Semichemical Paperboard	5,088	5,376	481	469	474	458	5,625	4.4
Production for Export	189	213	11	14	13	11	190	-10.3
Solid Bleached Paperboard	3,948	4,271	397	342	365	345	4,389	2.9
Production for Export	466	569	46	47	43	46	563	-0.8
Recycled Paperboard	7,630	8,083	752	705	772	741	8,623	6.0
Production for Export	26	70	5	5	5	9	60	-17.4
TOTAL PAPERBOARD-Prod.-Unadj.	33,034	35,419	3,300	3,129	3,177	3,071	37,451	5.7
- Containerboard Prod.(Dom. Use)	20,042	21,426	2,004	1,976	1,978	1,938	22,996	7.6
- Boxboard Prod.(Dom. Use) (2)	5,673	5,903	559	492	538	507	6,169	4.1
- All Other P'bd Prod.(D.U.) (2)	4,808	4,992	453	410	433	420	5,236	4.0
- Total Paperbd Prod. for Export	2,511	3,097	283	251	236	206	3,051	-1.1
TOTAL PAPERBOARD PROD.- S.A.			3,129	3,139	3,148	3,157	37,273	5.7
TOTAL PAPER AND PAPERBOARD								
Production - actual	67,030	70,861	6,463	6,253	6.385	6.155	74,317	4.9
Production - S.A.			6,204	6,217	6,230	6,243	73,967	4.9

(1) Includes all exports of kraft paperboard. R - Revised P - Preliminary S.A. - Seasonally Adjusted

(2) Data for unbl. kraft folding boxboard incl. in All Other P'bd.

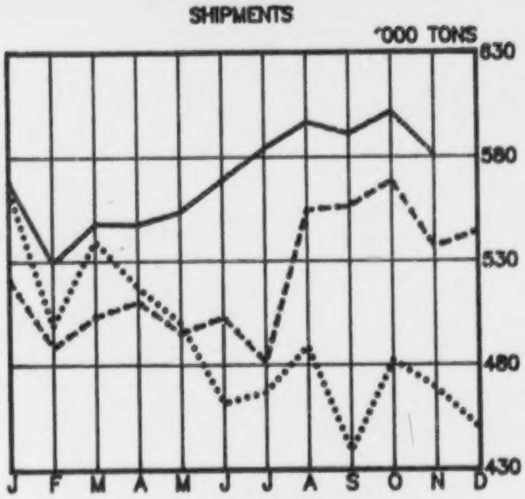
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



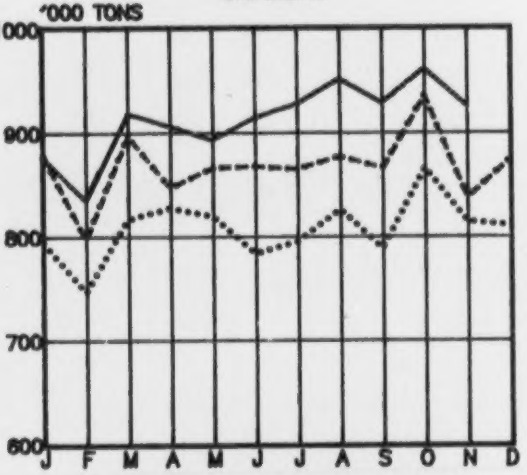
COATED PAPER

SHIPMENTS



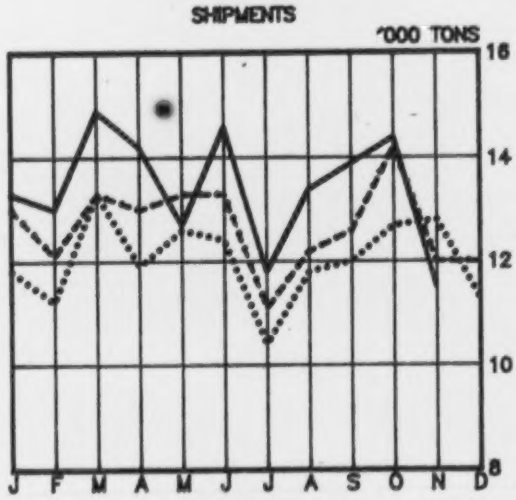
UNCOATED FREE SHEET PAPERS

SHIPMENTS



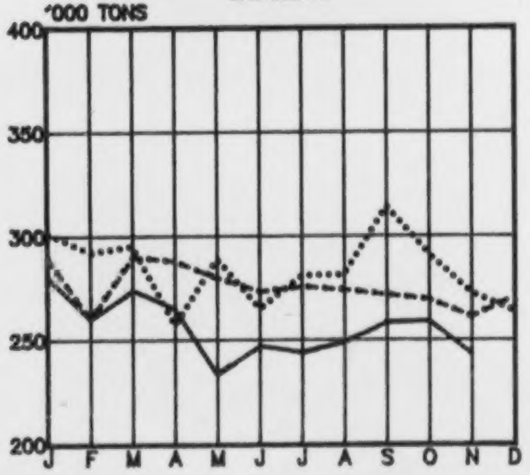
COTTON FIBER PAPER

SHIPMENTS



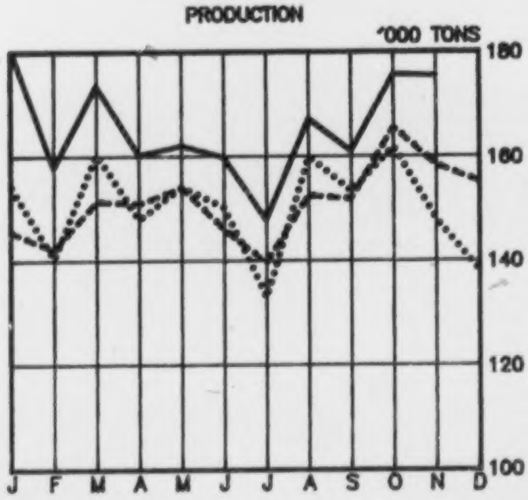
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



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WOOD PULP STATISTICS
(Thousands of Tons)

		YEAR 1985	YEAR 1986	JULY 1987	AUGUST 1987	SEPTEMBER 1987 R	OCTOBER 1987 P	Annual Rate Y-T D 1987	% Change from same Period Last Year
Total Wood Pulp	- Production	54.147	57,017	5,111	5,083	4,925	5,067	59,542	4.7
	- Imports	4,466	4,582	401	380	432	386	4.841	5.6
	- Exports	3,791	4 458	463	390	442	333	4,798	7.0
	- New Supply	54,821	57.140	5.049	5.073	4.915	5.120	59.585	4.6
Dissolving Pulp	- Production	1,174	1,258	123	102	112	88	1,279	2.3
	- Imports	175	255	11	22	19	19	216	-17.2
	- Exports	631	711	65	62	65	53	743	4.6
	- New Supply	718	801	69	62	66	54	752	-6.0
Paper Grades Chemical Pulp	- Production	43.696	46,081	4,141	4,162	3 947	4,111	48,288	5.1
	- Imports	4,104	4.220	367	349	391	345	4.442	5.6
	- Exports	3,131	3,689	396	326	376	278	4,033	8.5
	- New Supply	44,668	46.612	4.111	4.186	3.963	4.177	48.697	4.9
Groundwood and Thermo-Mech.	- Production	5,251	5,487	484	487	506	501	5,710	4.2
	- Imports	187	108	23	8	22	23	183	58.6
	- Exports	29	59	2	2	1	2	23	-60.8
	- New Supply	5.409	5.536	506	493	527	523	5.870	6.0
Semi-Chemical	- Production	4.027	4,191	364	333	359	367	4,265	1.7
	- Imports								
	- Exports								
	- New Supply	4,027	4,191	364	333	359	367	4.265	1.7
MARKET WOOD PULP									
Total Market Wood Pulp	- Production	6,800	7.583	729	708	680	670	8.082	7.9
	- Imports	2.791	3,122	285	268	292	267	3,218	3.7
	- Exports	3,784	4,470	439	369	469	383	4.765	7.5
	- New Supply	5,807	6,235	574	607	503	554	6,534	6.1
Dissolving Pulp	- Production	1,172	1,251	123	102	112	88	1.275	2.6
	- Imports	174	212	6	19	15	14	165	-24.2
	- Exports	667	718	65	54	88	56	769	9.5
	- New Supply	679	745	63	66	40	46	670	-11.5
Paper Grades Chemical Pulp	- Production	5.613	6.315	605	604	566	581	6.793	9.0
	- Imports	2,531	2,831	263	245	269	240	2.949	5.4
	- Exports	3,117	3,752	375	315	381	327	3.996	7.1
	- New Supply	5,028	5,394	494	535	454	493	5,745	8.4
Groundwood Pulp and All Other	- Production	15	17	1	1	1	1	14	-12.0
	- Imports	86	79	16	4	8	13	104	18.1
	- Exports	1	0	0	0	0	0	0	0.0
	- New Supply	100	96	17	5	9	14	119	13.6

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

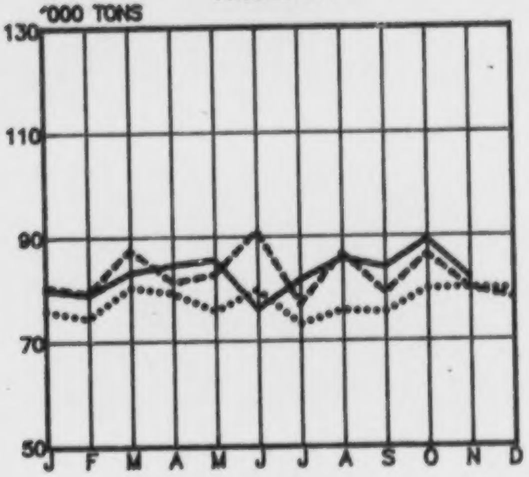
FIBROUS RAW MATERIALS
(Thousands of tons)

CONSUMPTION AT PAPER & PAPERBOARD MILLS					R	P		
Total	69,670	73,556	6.492	6.541	6.449	6.630	77.085	4.9
Total Wood Pulp	54,047	56.320	4,984	4.943	4,905	5,012	58,719	4.5
Waste Paper	15,623	17,236	1,508	1,598	1,544	1,619	18.366	6.4
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers' Own-Use Inventories	165	174	173	177	167	161	161	-8.6
Producers' Market Inventories	485	284	281	340	272	266	266	-8.9
Consumers' Purchased Inventories	503	569	608	605	629	595	595	9.8
Waste Paper at Paper & Bd. Mills	969	832	797	745	804	832	832	-2.5
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	30	16	15	18	14	14	14	-12.5

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons

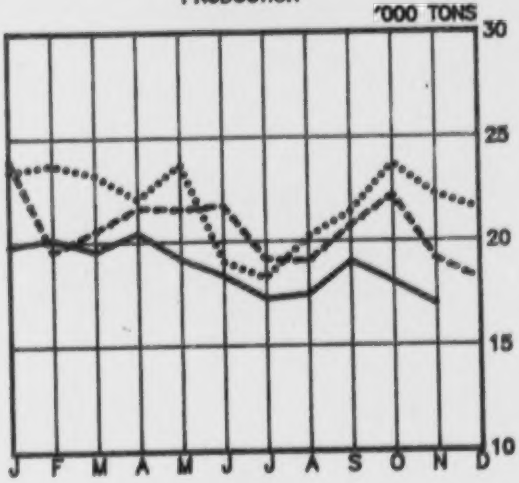
BLEACHED BRISTOLS

PRODUCTION



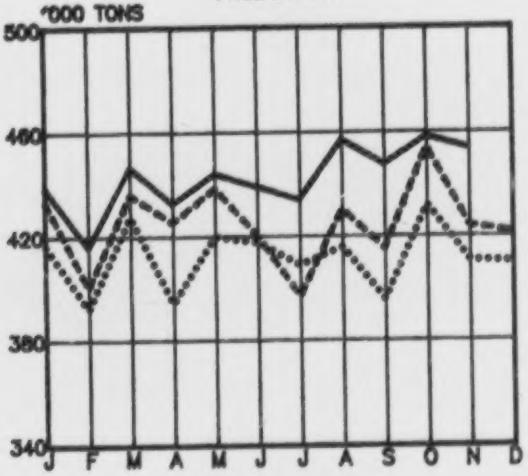
THIN PAPER

PRODUCTION



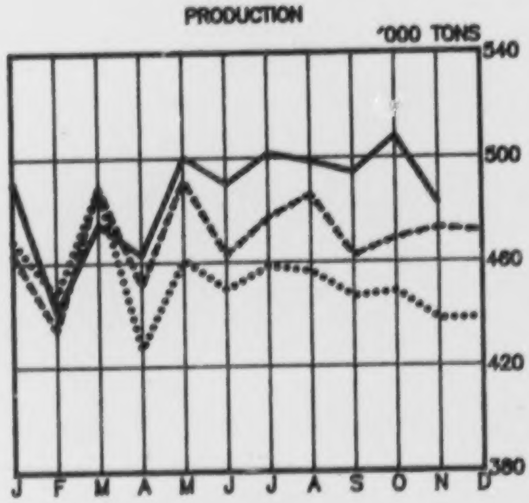
TISSUE PAPER

PRODUCTION



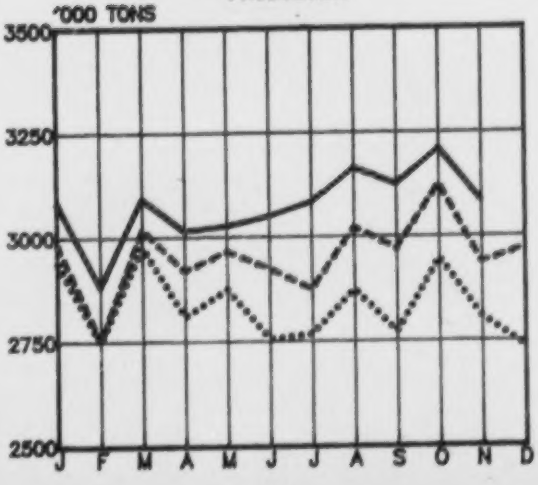
NEWSPRINT

PRODUCTION



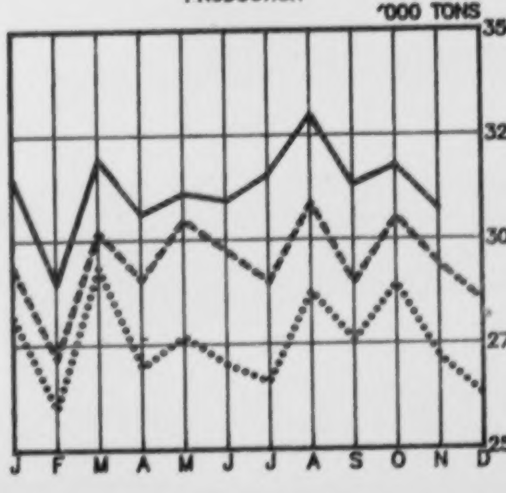
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



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FIBROUS RAW MATERIALS

(Thousands of Standard (128 cubic foot) Cords)

PULPWOOD		YEAR 1985	1986	JULY 1987	AUGUST 1987	SEPTEMBER 1987	OCTOBER 1987	Annual Rate Y-T-D 1987	% Change From Same Period Last Year
Total U.S.	- Total Receipts	85.499	90,943	8.264	7.643	8.061	8.436	94,090	3.9
	- Total Consumpt	85,744	91,434	8,195	7,729	7,856	7.984	94,060	3.2
	- Residues *	30,464	32,755	2,770	2,637	2,848	3.029	33,058	-0.6
	- Inventories	5,046	4,794	4,702	4,703	5 044	5,301	5,301	-3.6
So. Atlantic	- Total Receipts	27,509	29.513	2,680	2,529	2,826	2,814	31,230	5.6
	- Total Consumpt	27,815	29,425	2,651	2,519	2,773	2,605	30.908	5.3
	- Residues *	7,970	9.343	835	779	912	915	9,496	1.2
	- Inventories	1,117	994	1,025	1,040	1,114	1,256	1,256	5.0
Northeast	- Total Receipts	7.430	7.277	572	554	545	592	6.996	-3.6
	- Total Consumpt	7,394	7,227	591	596	539	599	7,166	-1.2
	- Residues *	1,539	1,419	108	117	129	134	1.543	7.1
	- Inventories	544	484	447	471	514	542	542	21.3
South Central	- Total Receipts	29,706	31,790	2,902	2,687	2,813	2,975	33,742	6.0
	- Total Consumpt	29,914	32,113	2.937	2,707	2,698	2,707	32,977	3.6
	- Residues *	9,207	9.792	825	750	819	867	10,100	3.0
	- Inventories	1,190	926	1,000	1,048	1,100	1,363	1,363	5.8
North Central	- Total Receipts	6.430	6,571	607	539	539	632	6.590	0.6
	- Total Consumpt	6,296	6,730	563	559	536	610	6,769	0.8
	- Residues *	1,290	1,042	109	104	109	165	1,193	13.0
	- Inventories	804	892	804	837	857	803	803	1.7
West	- Total Receipts	14,264	15,792	1,415	1,334	1,330	1,423	16,340	1.7
	- Total Consumpt	14,325	15,939	1,453	1,340	1,310	1,303	16,230	1.5
	- Residues *	10,458	11,159	901	879	879	940	10.726	-7.3
	- Inventories	1,303	1,490	1,330	1,307	1,379	1,257	1,257	-26.5

* - Consumption of Residues in Cord Equivalents.

SOURCE: American Pulpwood Association

17-Dec-87

UNITED STATES TRADE WITH CANADA

IMPORTS FROM CANADA

	YEAR 1986 Tons	($000's)	SEPTEMBER 1987 Tons	SEPTEMBER 1987 ($000)	OCTOBER Tons	OCTOBER 1987 ($000)	Annual Rate Y-T-D 1987 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	59,490	4,224	16	1	2,743	180	10.040	-85.4
Pulpwood chips	723,257	19.488	46,334	1,509	38,196	11,001	396 037	-43.0
Wood Pulp, Total	3,949,414	1,422,180	366,503	156,043	358,441	159,013	4.316,324	9.1
Waste Fibrous Materials, Total	157,870	27,196	12,005	2,110	13,710	2,655	181,085	12.7
Paper, Board & Products, Total	9,963,486	4,467,761	918.947	455,729	887,137	443,700	10,635,100	6.7
Paper, Paperboard, Wet Machine Bd. & Constr. Paper & Bd.	9,842,154	4,268.820	906,595	433,403	874,574	421,279	10,488,615	6.5
Paper, Paperboard & Products	9,715,710	4,393,592	900,152	450,319	869,654	438,671	10,402,101	7.1
Paper & Paperboard, Only	9,594,378	4,194,651	887.800	427,993	857,091	416,242	10,255,600	6.9
Paper, Total	9.367,300	4,130,464	863,265	420,007	834,377	400,931	9,999,162	6.7
Newsprint	8.269.333	3,556.903	739.101	352,210	710,321	339,535	8.628.942	3.0
Printing, Writing & Rel. Pap.	860,628	457.685	100,219	55,407	103,433	57,766	1,107,320	32.7
Pack. & Ind. Conv. Paper	102,401	81,492	20,784	9,720	16,044	8.449	210.295	20.7
Special Industrial Paper	4,766	7,893	400	709	365	705	5,371	19.0
Tissue Paper	42,173	26,411	2.761	2,034	3.415	2,476	39,233	-3.5
Paperboard, Total	226,998	64,107	24,535	7,906	22,714	7,312	256,527	14.2
Convtd Paper&Paperbd Products	121,332	190,941	12,352	22,326	12,563	22,420	146.493	21.4
Wet Machine Board	2,332	1,570	209	143	232	159	2,097	20.5
Construction Paper & Board	245,444	72,599	10.586	5.267	17.250	4.870	230,030	-9.1

EXPORTS TO CANADA

	YEAR 1986 Tons	($000's)	SEPTEMBER 1987 Tons	SEPTEMBER 1987 ($000)	OCTOBER Tons	OCTOBER 1987 ($000)	Annual Rate Y-T-D 1987 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	39.191	2,201	0	0	4.419	286	12,790	-62.4
Pulpwood chips	262,844	13,577	4,685	337	3,418	199	60,556	-64.9
Wood Pulp, Total	262,353	76.591	25,020	9.417	12,900	4,754	206,755	-22.2
Cotton Pulp & Other Pulp	33,629	10,450	8,560	1,506	4,152	844	55,470	72.6
Waste Paper	226,215	23,254	23,720	2 673	25.774	2,790	278,528	27.8
Paper, Board & Products, Total	725,421	464,684	105,707	58,075	87,260	50,470	955,692	31.9
Paper, Paperboard, Wet Machine Bd. & Constr. Paper & Bd.	570,635	315,710	74,326	40,043	61,017	34,546	704,427	23.6
Paper, Paperboard & Products	695,561	452,129	101,827	56,298	82,986	48,532	910,027	32.2
Paper & Paperboard, Only	540,775	303,154	70,445	38.266	58.744	32,600	666,762	23.5
Paper, Total	278,911	200,168	27,175	24,560	24,807	21,383	295,186	5.6
Newsprint	6,040	4,457	238	194	370	363	4,465	-10.3
Printing, Writing & Rel. Pap.	121,167	99,400	14,275	12,567	13,314	11,625	147,757	23.1
Pack. & Ind. Conv. Paper	25,614	16,467	2,003	1,613	3,134	1,609	25,790	-1.3
Special Industrial Paper	122,874	75,189	10,093	9,379	7,711	7,285	111,330	-10.7
Tissue Paper	3,217	4,577	566	815	278	502	5.445	65.2
Paperboard, Total	261,864	102,986	43,271	13,690	33,937	11,217	371,577	42.7
Convtd Paper&Paperbd Products	154,786	140,975	31,302	10.032	24,243	15,932	251,265	62.5
Wet Machine Board	10,720	4,630	793	395	990	483	10,690	1.1
Construction Paper & Board	19,132	7,910	3,000	1,382	3,283	1,464	26.967	39.1

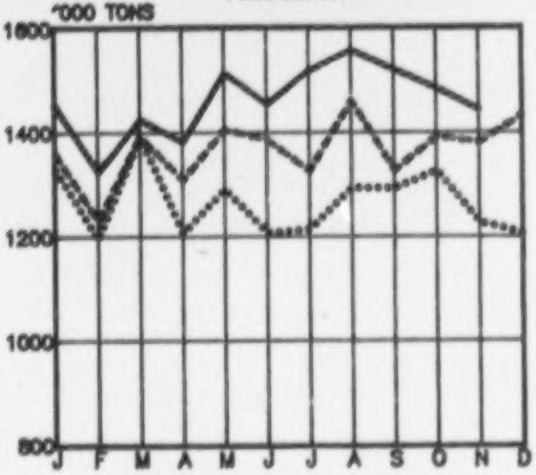
SOURCE: Bureau of Census, Department of Commerce .

E - Estimate of tonnage based on square foot data

17-Dec-87

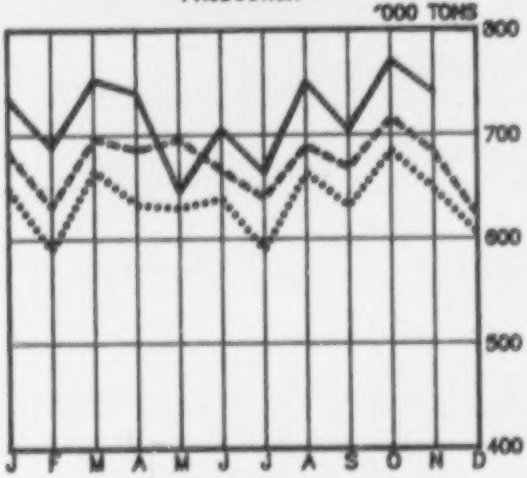
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



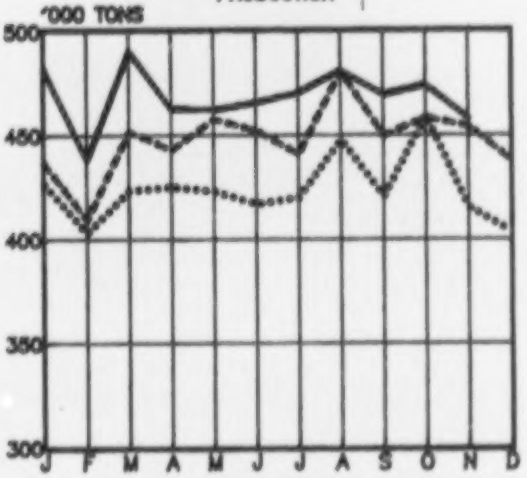
RECYCLED PAPERBOARD

PRODUCTION



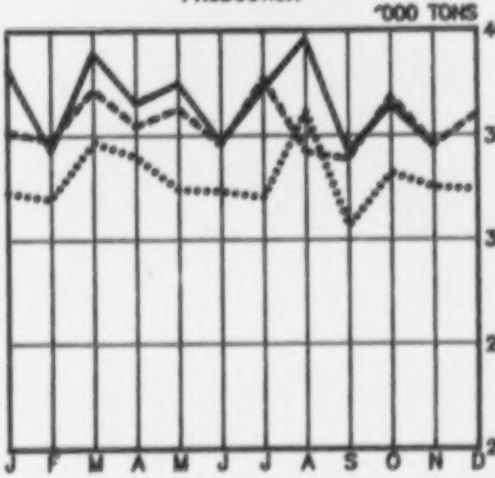
SEMICHEMICAL PAPERBOARD

PRODUCTION



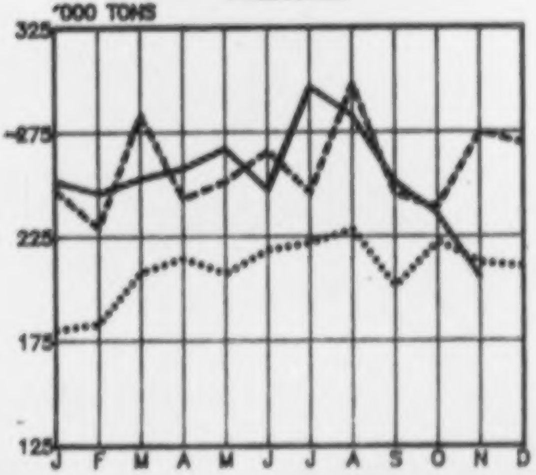
SOLID BLEACHED PAPERBOARD

PRODUCTION



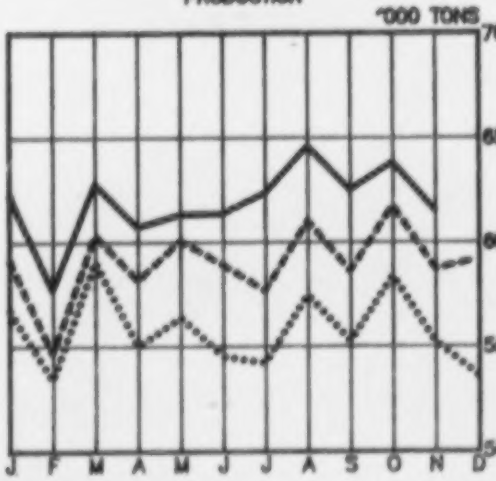
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1985 ········ 1986 ------1987 ——

PULP PAPER AND PAPERBOARD IMPORTS AND EXPORTS DATA

IMPORTS

	YEAR 1986 Tons	1986 $000	1987 SEPTEMBER Tons	1987 SEPTEMBER $000	1987 OCTOBER Tons	1987 OCTOBER $000	(1) Annual Rate YTD 1987 Tons	% Change from same Period Last Year
Pulpwood Roundwood (cords)	60,050	4,563	16	1	2,743	100	10,100	-85.59
Pulpwood Chips	724,820	19,642	46,549	1,602	39,172	1,129	475,160	-31.70
Total All Imports	16,722,494	7,674,736	1,563,003	796,747	1,524,766	804,459	17,849,847	6.91
Wood Pulp' Total	4,581,760	1,601 370	432,275	186,914	386,234	171,393	4,841,866	5.69
Waste Paper	99,313	11,102	9,606	1,376	11,319	1,007	120,862	22.92
Other Fibrous Materials	104 969	26,326	3,331	1,100	3,051	1,707	76,399	-29.98
Paper Board & Products Total	11,936,452	6.035,850	1,117,792	607.349	1,123.362	629.552	12,800,722	7.61
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	11,546,545	5,247,129	1,080,199	533,821	1,090,301	547,296	12,404,102	7.60
Paper Ppbd & Prds ex Cnst&WMB	11,596,808	5,928,457	1,091,554	599,454	1,098,946	621,997	12,406,017	8.04
Paper & Paperboard Only	11,206,901	5,139,735	1,061,961	525,926	1,065,804	539,742	12,001,390	8.12
Paper Total	10,925,453	5,051,917	1,028,501	513,808	1,038,265	530,440	11.717.520	7.46
Newsprint	8,507,507	3,682,351	779.893	367,745	746,401	355,654	8,999,864	4.12
Printing & Writing	2,029,302	1,179,802	215,189	125,277	257,322	152,513	2,344,513	19.69
Uncoated Groundwood	1,020,231	531,149	114,405	50.950	142.424	76.110	1,246,245	25.65
Coated Print.& Impreg. Pap.	501,302	359.495	60,700	41,131	74,730	50,664	655,080	36.67
Uncoated Free Sheet	453,630	256,627	37,151	22,152	36.900	22,691	392,930	-10.76
Uncoated Book	223,790	126,270	21,977	12,560	17,597	10,227	213,500	-2.76
Writing and Similar Paper	229,841	130,349	15,173	9,592	19,310	12,464	179,430	-18.60
Thin (except Cigarette)	45,351	33,831	2,819	2,991	3,120	2,911	40,550	5.24
Bristols	700	700	34	53	124	137	892	26.61
Total Pkg & Other Paper	242,571	146,212	29,855	17,070	29,163	10,131	317,205	34.00
Unbleached Kraft Paper	115,000	42,650	16,613	6,085	17.272	6,769	174,470	55.12
Other Pkg. & Indust. Paper	127,562	103,562	13,242	10,905	11,892	11,363	142,726	14.88
Tissue	66,073	43,552	3,565	2,916	5,379	4.150	55,930	-14.09
Paperboard, Total	281,448	87,818	33,460	12,110	27,619	9,294	363,870	34.92
Test or Containerboard	78,063	25,596	7,456	2,596	7.730	2,760	80,303	4.29
Semi-Chemical Corrugating	99,062	22,092	11,392	3,112	10,519	2.801	125,510	30.94
Other Paperboard	104,324	40,130	14,612	6,409	9.361	3,733	158,065	63.21
Convtd Paper&Paperbd Products	389,907	788,721	29,593	73,529	33,061	82,256	404,619	5.66
Paper Products, Total	361,517	730,257	26,877	67.910	30,558	76,615	370,782	4.55
Paperboard Products, Total	28.390	58,464	2,716	5,611	2,503	5,641	33,837	19.51
Wet machine Board	3,235	2,525	268	226	302	241	3.402	8.25
Construction Paper & Board	336,409	104.868	25,969	7,670	24,115	7,314	319,222	-6.80
Notes								
Other: No Weight Avail. ($000)		212,330		10.000		16.991	206.735	-1.64
Total Imports Incl. Other($000)		7,887,074		614,755		821,450	9,140,763	17.42

EXPORTS

							(1)	
Pulpwood, Roundwood (cords)	42,190	2,373	0	0	4,419	206	15,047	-59.56
Pulpwood Chips	2,428,333	170,022	239,693	18,253	197,701	15,005	2,449,650	7.55
Total All Exports	13,851,152	4,685,447	1,260,133	523,282	1,175,806	466,866	14,547,776	11.91
Wood Pulp, Total	4,459,312	1,662,466	442,186	208,466	332,615	160,992	4.797,986	8.99
Cotton Pulp and Other Pulp	157,452	72,500	19,185	8,625	12,955	6,280	179,759	11.62
Waste and Old Paper	3,740,711	411,076	355,097	44,590	404,341	47.776	4.250,561	14.16
Paper, Board & Products, Total	4,606,677	2,539,405	442,945	261,601	425,175	251,019	5,311,570	14.09
Paper, Paperboard, Wet Machine Bd. & Construction Paper & Board	4,160,179	1,853,616	360,247	189,540	363,706	184,974	4,589,428	11.72
Paper, Ppbd & Prod ex Cnst&WMB	4,592,635	2,487,507	434,325	257,170	415,353	245,963	5,205,946	14.93
Paper & Paperboard, Only	4,066,137	1,801,710	359,627	185,125	353,965	179,919	4.483,803	11.69
Paper, Total	883,689	642,597	75,266	69.991	76.216	63,344	912,008	6.04
Newsprint	392,220	194,569	19,970	13,123	25,065	16,614	330,917	-6.02
Printing & Writing	190,656	185,271	24,799	24,952	21,917	21,041	244,134	20.09
Uncoated Groundwood	40,847	28,947	6,231	4,506	5,966	4,171	54,031	33.74
Clay Coated Paper	78,240	57,056	9,207	6.620	8.405	6.367	97.697	25.16
Uncoated Free Sheet	50,140	71,354	7,101	10,597	6,137	8,377	66,329	34.11
Other Printing & Writing	21,420	27.114	2,101	3.229	1.329	2.125	25.276	21.00
Total Pkg. & Other Paper	284,040	241,426	26,260	28,405	23,657	23,117	290.661	0.11
Unbleached Kraft	70,240	32,009	6.521	3.197	7.161	3.315	85,486	5.04
Other Pkg. & Indust. Paper	205,000	209,417	19,726	25,200	16,496	19,802	205,175	-1.07
Tissue	16,750	21,351	4.241	3,512	4.770	2,572	38.296	130.56
Paperboard, Total	3,182,448	1,159,121	284,361	115,135	277,748	116,575	3,571,795	13.23
Solid Wood Pulp	2,982,973	1,074,964	248,031	103,243	250,072	108,160	3.245,320	9.50
Total Linerboard	2,177,420	635,749	175,889	64,151	172,126	62,347	2,316,.09	6.94
Bleached Kraft Linerboard	133,787	51,448	15,083	6.869	4 566	2.376	84,625	-40.25
Unbleached Kraft Linerbd	2,043,633	584,301	160,806	58,083	167,560	59,971	2,231,484	10.25
Other Unbleached Kraft	157,614	57,560	17 664	6.433	13,151	5.136	214,956	42.96
Other Bleached Kraft	571,290	359.954	52,230	31,644	61,260	39,233	647,375	13.34
Semi-Chemical Corrugating	76,641	21,713	2,267	1,015	3,534	1,455	67.281	-12.33
Recycled Paperboard	199,476	84,157	36,331	11,892	27,677	8,487	326,475	71.03
Convtd Paper&Paperbd Products	526,497	685,789	74,698	72,053	61,389	66,045	722,143	40.21
Paper Products, Total	240,171	456,429	27,934	47,764	24,124	45,050	299,177	26.79
Paperboard Products, Total	286,327	229,360	46,764	24,288	37,265	20,986	422,965	51.55
Wet Machine Board	10.893	7,259	1,157	525	1,693	786	10,434	-2.97
Construction Paper & Board E	75,149	44,639	7,163	3,898	8,129	4,270	87,190	17.86
Notes								
Other: No Weight Avail. ($000)		7,290		681		602	7,066	5.67
Total Exports Incl. Other($000)		4,692,745		523,963		466,668	5,906,414	27.60

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description.

PRODUCER PRICE INDEXES
1967 = 100

	1985	1986	AUGUST 1987	SEPTEMBER 1987	OCTOBER 1987	NOVEMBER 1987	Annual Rate Y-T-D 1987	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	292.0	293.9	312.8	316.9	319.0	320.1	311.5	6.2
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	294.5	295.9	314.3	318.3	320.5	321.7	313.1	6.0
Total Wood Pulp	346.6	350.7	422.6	444.0	445.2	445.9	422.2	18.6
Total Paper	303.4	306.3	319.5	321.4	324.9	327.1	310.3	4.1
Total Paper, exc. Newsprint	298.0	300.4	305.4	307.7	314.1	316.2	306.5	2.2
Newsprint	332.9	326.1	367.1	369.2	368.4	369.9	353.1	8.5
Total Paperboard	274.6	271.6	300.7	308.5	310.8	311.3	299.4	10.6
Total Paper and Paperboard *	294.4	295.3	313.6	317.4	320.5	322.1	307.4	6.0
Converted Products	280.1	289.3	303.3	306.3	308.1	309.4	302.7	4.0
Waste Paper	140.0	172.0	227.0	234.2	232.5	225.4	219.9	28.6
All Commodities	300.9	299.8	310.5	310.4	311.4	311.9	300.9	2.0
Industrial Commodities	324.0	312.1	323.0	323.3	324.9	325.4	319.9	2.4

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

IMPORTS OF TOTAL PAPER AND PAPERBOARD

	Total	Canada	Other
1982	7,496.1	7,284.7	211.4
1983	8,357.3	7,792.9	564.4
1984	10,356.3	8,877.7	1,478.6
1985	10,821.6	9,286.5	1,535.1
1986	11,206.9	9,594.4	1,612.5
1987	12,002.6	10,252.4	1,750.2

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*9 months at annualized rate

Source: Bureau of the Census, Department of Commerce

These figures are consistent with data published by the Conference Board on capital appropriations. The Board showed that new appropriations by paper companies in the second quarter of 1987 moved up sharply from the average level of the previous five quarters, bringing the backlog of unspent appropriations to a level equivalent to 3.5 times the second quarter rate of capital expenditures for these companies. The year-ago backlog represented 3 quarters of expenditures at the lower rate that prevailed then.

IMPORT PATTERNS

The 40% decline of the trade-weighted value of the dollar since early 1985 has not had as significant an impact on paper and paperboard imports as was anticipated. Although import growth for paper and paperboard slowed from an average annual rate of 13% between 1982 and 1985 to 3.6% in 1986, it re-accelerated to a 7.9% increase, reaching a rate of 12.0 million tons per year during the first nine months of 1987. This rate was 44% above 1983 total imports of 8.4 million tons. Imports from Canada, at 10.3 million tons per year, were 32% above their 1983 level; imports from all other countries, at 1.8 million tons per year, were more than three times their 1983 total. (See table on page 10.)

However, it is important to realize that a number of special factors have been working to keep imports high. For one thing, more than 80% of the 1987 increase in imports originated in Canada and Canadian currency has remained fairly stable relative to the U.S. dollar during the past two years. Perhaps more important, U.S. capacity in the two grades that accounted for 86% of the 1986-87 increase in imports -- newsprint and groundwood papers -- is equivalent to only 45% of total U.S. consumption of these grades.

These are also the major grades for which overseas imports increased during 1987: Newsprint imports from all nations except Canada rose 8.1% from 332,400 tons in 1986 to an annualized rate of 359,400 tons during the first nine months of 1987. However, these imports were still some 2% below their 1985 peak, suggesting that the decline in the exchange value of the dollar did slow their rate of growth. Imports of uncoated groundwood papers from abroad reached a new peak of 518,500 tons per year during the first 9 months of 1987. (See table on page 12.)

Imports of uncoated free sheet and coated papers appear to have been more responsive to the dollar's slide. Imports of uncoated free sheet both from Canada and abroad declined in 1987, with 75% of the overall tonnage reduction accounted for by imports from overseas nations.

Imports of coated papers from Canada more than doubled during 1987, to a nine-month annualized rate of 214,200 tons, while imports of coated papers from overseas remained approximately level from 1986 to 1987. A significant fraction of Canadian coated paper capacity is owned by U.S. companies.

Continued on page 12

IMPORTS OF SELECTED GRADES
BY REGION OF ORIGIN
(000 tons)

NEWSPRINT

	Total	Canada	Western Europe	Other
1982	6,530.7	6,484.6	46.0	---
1984	7,900.6	7,688.1	191.2	21.4
1985	8,496.6	8,129.1	307.5	59.9
1986	8,587.5	8,255.2	283.9	48.5
1987*	9,004.6	8,645.3	308.9	50.5

UNCOATED GROUNDWOOD

	Total	Canada	Western Europe	Other
1982	511.0	421.0	90.0	---
1984	1,086.6	582.7	486.3	17.6
1985	1,024.5	540.6	476.8	7.2
1986	1,026.1	554.3	457.9	13.9
1987*	1,189.9	671.4	512.4	6.1

NEWSPRINT PLUS UNCOATED GROUNDWOOD

	Total	Canada	Western Europe	Other
1982	7,041.7	6,905.6	136.0	---
1984	8,987.2	8,270.8	677.5	39.0
1985	9,521.1	8,669.7	784.3	67.1
1986	9,613.6	8,809.5	741.8	62.4
1987*	10,194.5	9,316.7	821.3	56.6

UNCOATED FREE SHEET

	Total	Canada	Western Europe	Other
1982	157.0	149.0	---------8--------	
1984	459.0	183.6	141.4	134.0
1985	379.3	226.1	89.6	63.6
1986	476.2	230.8	127.9	117.5
1987*	403.9	212.9	108.8	82.2

COATED

	Total	Canada	Western Europe	Other
1982	69.0	37.2	31.7	0.1
1984	428.3	74.8	337.8	15.6
1985	496.1	83.1	289.3	123.7
1986	501.4	95.9	363.7	41.7
1987*	629.1	214.2	359.5	55.4

*9 months at annualized rate

Source: Bureau of the Census, Department of Commerce

A2500-2

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

DECEMBER 22, 1987

PRODUCTION (000 TONS)

	NOVEMBER 1987	OCTOBER 1987	NOVEMBER 1986	FIRST ELEVEN MONTHS 1987	FIRST ELEVEN MONTHS 1986	% CHANGE YR TO DATE 1987/1986
PAPER GRADES						
Newsprint	482	508	473	5.343	5.159	3.6
Printing & Writing	1,729	1,808	1,620	18,951	17,950	5.6
Uncoated Groundwood (s)	112	123	135	1,379	1,415	-2.5
Coated Paper (s)	581	602	537	6,271	5,719	9.7
Uncoated Free Sheet Paper (s)	926	961	838	10,037	9,535	5.3
Thin Paper (s)	17	18	19	206	229	-10.1
Cotton Fiber Paper (s)	11	14	12	147	140	5.4
Bleached Bristols (s)	82	89	80	911	912	-0.1
Tissue Paper	454	458	424	4.865	4,673	4.1
Total Pkg & Other Paper	419	435	419	4,635	4,691	-1.2
Unbleached Kraft Packaging & Indl. Converting (s)	243	259	261	2,812	3,032	-7.3
Other Paper	176	176	158	1,823	1,659	9.9
TOTAL PAPER	3,083	3,209	2,936	33,794	32,472	4.1
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,528	1,566	1,456	17,247	16,161	6.7
Unbleached Kraft Linerboard	1,444	1.485	1.381	16,077	14,970	7.4
Other Unbl. Kraft Paperboard	84	81	74	1,170	1,191	-1.8
Semichemical Paperboard	458	474	455	5,156	4,938	4.4
Bleached Paperboard	345	365	345	4,023	3,910	2.9
Recycled Paperboard	741	772	683	7,905	7,459	6.0
TOTAL PAPERBOARD	3,071	3,177	2,939	34,330	32,467	5.7
TOTAL PAPER AND PAPERBOARD	6,155	6,385	5,876	68,124	64,940	4.9

WOOD PULP (ALL GRADES)	OCTOBER 1987	SEPTEMBER 1987	OCTOBER 1986	First 10 Months 1987	First 10 Months 1986	% Change 87/86
Dissolving & Special Alpha	88	112	9[illegible]	1066	1041	2.3
Bleached Sulfite	112	108	102	1060	1075	-1.4
Unbleached Sulfite	16	14	14	140	138	1.6
Bleached & Semi-Bl. Sulfate	2212	2098	2050	21514	20017	7.5
Unbleached Sulfate	1770	1727	1751	17526	17048	2.8
Semichemical	367	359	358	3554	3495	1.7
Groundwood & Thermomechanical	501	506	473	4759	4567	4.2
TOTAL PULP DIVISION DATA	5067	4925	4845	49618	47381	4.7

(s) - Shipments
P - Preliminary

DECEMBER 22, 1987

	Full Year		INDUSTRY DATA 1986 - 1987			Ann. Rate Year - To - Date	% From Same Pd. Last Year
				R	P		
PAPER AND PAPERBOARD -- Tons (000)	1985	1986	September	October	November	1987	
Total Production (API)....... excluding :...	67.030	70,861	6.253	6.385	6.155	74,317	4.9
Total Seasonally Adjusted.....construction:...			6,217	6,230	6,243	73.967	4.9
Imports (including Products).: and wet :..E	11,106	11,597	1,092	1,099	1.096	12,547	6.8
Exports (including Products).: machine :..E	4.009	4,593	434	415	385	5.153	13.3
Apparent Consumption.........: grades :...	74,127 a	77.866 b	6.874	6.914	6.954	81,361 c	4.7
Paper Production % Tonnage Capacity...........	90.5 g	93.0 g	94.5	93.8	93.5	93.5 gh	-
Paperboard Production % Tonnage Capacity......	90.0 g	94.4 g	98.1	96.1	96.7	97.7 g	-
			August	September	October		
IMPORTS.....:Including Construction and :...	11.521	11.936	1,031	1,110	1,123	12.809	7.6
EXPORTS.....: WMB Grades (excl. HPB) :...	4,077	4.687	494	443	425	5.312	14.9
			August	September	October		
MARKET WOOD PULP PRODUCTION - Tons (000).........	6,800	7,503	700	680	670	8,082	7.9
TOTAL WOOD PULP PRODUCTION - Tons (000)..........	54,147	57.017	5.083	4.925	5.067	59.542	4.7
WOOD PULP IMPORTS - TONS (000)...................	4 466	4,582	380	432	386	4.841	5.6
WOOD PULP EXPORTS - TONS (000)...................	3,791	4.458	390	442	333	4.798	7.0
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			August	September	October		
Wood Pulp.............consumption for:.....	55,047	56,320	4.943	4,905	5,012	58.719	4.5
Waste Paper...........:construction & :.....	15,623	17.236	1,599	1,544	1,619	18.366	6.4
TOTAL..........: WMB grades :.....	70,670	73,556	6,541	6,449	6,631	77,085	5.2
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	85.744	91,434	7,729	7.856	7.984	94.360	3.2
EMPLOYMENT (000)			September	October	November		
Paper and Allied Products..........Total......	677.7	674.3	681.8	680.3	682.1	678.1	0.6
Pulp, Paper and Board Mills........Total.....E	252.3	248.5	245.8	244.6	245.3	246.3	-0.8
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)			September	October	November		
Paper and Allied Products.......................	10.82	11.14	11.67	11.45	11.44	11.39	2.3
Pulp, Paper Mills...........................E	13.11	13.58	14.45	14.10	14.00	13.96	2.9
Paperboard Mills............................E	13.60	14.01	14.45	14.39	14.37	14.23	1.7
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1987 Q1	1987 Q2	1987 Q3		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	8.59	8.77	8.06	8.77	8.94	8.96 y	2.2
INDEX OF OUTPUT PER MAN-HOUR (1977=100)..........			September	October	November		
:IN PULP, PAPER :...Production Workers..........	123.6	131.2	134.4	140.9	140.0	138.9	6.0
:AND BOARD MILLS:...All Employees...............	122.1	130.4	134.0	138.9	138.3	136.7	5.0
PAPER AND ALLIED PRODUCTS (Million $)			August	September	October		
Industry Shipments (Dept. of Commerce)*........	97,664	106.322	9.950	10,200	10,415	106.703	12.5
Pulp, Paper and Paperboard*....................	41,830	45,565	4,314	4,409	4,551	46,015	13.4
Inventories (End of Period) - Total Industry*..	9,728	10,250	11,021	11,052	10.990	10,990	10.3
Pulp, Paper and Paperboard*....................	3,800	4,078	4,173	4,159	4,117	4,117	5.1
			1987 Q1	1987 Q2	1987 Q3		
Sales (Corporations Only)......................	71,465	74,844	19,941	21,553	22,367	85,148	16.3
Earnings (Corporations Only)...................	2,880	3,280	996	1,206	1,433	4,847	56.5
Depreciation (Corporations Only)...............	3,099	3,389	951	942	988	3,841	15.0
Net Worth (Corporations Only)..................	29.694	31,221	32,231	32,843	33,843	33,843	9.1
PRICE INDEXES (Bureau of Labor Stats)1967=100			September	October	November		
Pulp, Paper & Products, ex. Building Grades....	292.0	293.8	316.9	319.0	320.1	311.6	6.3
Wood Pulp......................................	346.6	358.8	444	445.2	445.9	422.5	18.6
Waste Paper....................................	148.8	172.8	234.2	232.5	225.4	219.6	28.5
Paper..	303.4	306.3	321.4	324 9	327.1	318.3	4.1
Paperboard.....................................	274.6	271.6	308.5	310.8	311.3	299.4	10.6
PAPER DEMAND (INDEXED: 1977=100)			September	October	November		
Total Paper Production *.......................	122.8	127.9	133.3	133.5	133.7	132.5	4.1
Paper New Supply *.............................	128.7	133.6	141.7	142.4	142.6	139.6	4.5
Demand Indicators - (Weighted Average) *.....	142.0	148.8	158.0	159.0	159.1	155.5	4.7
Production of Nondurable Goods *...(21.2%).	125.3	130.6	138.7	138.3	138.8	136.3	4.6
Disposable Income ....*.(23.9%)	128.4	133.6	135.1	137.1	135.9	134.9	1.1
Total Printing and Publishing *...(54.9%).	154.3	162.5	175.4	176.6	177.0	171.9	6.0
Trend Factor				Not Available			
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *..................	114.3	122.0	130.1	130.5	130.8	128.7	5.7
Production for Domestic Use	112.8	118.9	127.7	128.8	130.6	126.1	6.4
Demand Indicators - (Weighted Average) *.....	120.1	122.0	126.3	127.7	127.9	125.5	3.0
Production of Consumer Goods *...(62.06%)	120.5	124.4	127.6	129.3	129.4	127.6	2.7
Production of Equipment *...(5.75%)	146.4	142.8	151.0	152.8	153.4	148.5	4.0
Production of Materials *...(32.19%)	114.5	113.9	119.5	120.1	120.6	117.5	3.3
Trend Factor				Not Available			
NEWSPRINT MARKETS			August	September	October		
Consumption by Publishers - Tons (000).........	12,773	13,158	1,147	1,157	1,243	13,409	2.9
Newspaper Pub. and Printing Empl. Total(000)...	454	461	462	463	467	460	0.0
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (PIB, Inc.)...........	155,545	153,893	10.966	14,756	15.878	150,447	0.7
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	36,798	40,521	4.029	4,226	4.489	46.469	15.0
Inventories (End of Period).	3,267	3,552	3,470	3,515	3,544	3,544	5.3
FIBRE BOX DATA (Fibre Box Association)			September	October	November		
Fibre Box Shipments (Million square feet).......	267,451	283,921	25,853	27,712	23,281	299,192	4.7
Container'bd Inventory at Mill & Plant(000Tons).	2,549	2,238	2,421	2,352	2.426	2.426	13.7
RETAIL TRADE (Million $)			September	October	November		
Total Retail Sales *...........................	1,372,853	1,445.568	126.790	125,645	125,855	1,503,129	4.5
Nondurable Goods Stores Sales *................	859,316	882.505	77,084	77,246	77,259	923,255	4.8
GENERAL ECONOMIC DATA			September	October	November		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	124.2	125.1	130.9	132	132.5	129.3	3.5
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1967=100).	308.7	299.8	310.4	311.4	311.9	307.3	2.4
CONSUMER PRICES (ALL ITEMS) (INDEX 1967 = 100)...	322.2	328.4	344.4	345.3	345.8	339.9	3.6
			August	September	October		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	531	586	597.4	604.7	608.8	608.8	5.1
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..			1987 Q1	1987 Q2	1987 Q3		
G.N.P. or Expenditure - Current $..............	4,010	4,235	4,378	4,445	4,524	4,449	5.5
G.N.P. or Expenditure - 1982 $.................	3,607	3,713	3.772	3,795	3,836	3,801	2.5

lb/capita
Pap&Papbd Othr Totl Popul(mil)
.a - 620 + 10 = 630 239.3
.b - 645 + 17 = 662 241.6
.c - 668 + 17 = 685 243.8
.e - estimated by API

f - Wood Pulp Production excludes def., explo. & scrngs.
g - Adjusted for holiday shutdowns

h - Adjusted to Conform with API Division data
j - Census unpublished data; standard dev. = 6 - 8%
Q - Quarter

R - Revised
y - Full year estim. by U.S. Dept. of Com.

* - Seasonally Adjusted.

2/16/88 A2500-2

Paper
Paperboard
& Wood Pulp

MONTHLY STATISTICAL SUMMARY - Vol. 66 No. 1 JANUARY 1988

PAPER AND PAPERBOARD PRODUCTION CONTINUES TO INCREASE: RECORD HIGH TOTAL IN 1987

Paper and paperboard production in 1987, spurred by rising rates of activity in end-use markets and increases in paper and paperboard use within its markets, was a strong 5.1% higher than the previous year's total, outpacing real GNP by a factor of two. The 1987 production total was equivalent to 95% of the reported capacity, compared to 94% in 1986 and 90% in 1985.

Paper production rose 4.3% from 1986 to 1987, with the greatest contribution to this growth from coated papers and uncoated free sheet papers. At the year-end there was a strong backlog of unfilled orders in all the major printing-writing paper grades, with the levels ranging from 26% to 48% ahead of year-ago levels.

Coated paper shipments grew an exceptionally high 9.7%, reflecting increases in purchases from such major users as direct mail and newspaper inserts. The strength of demand was also reflected in a 167,000 tons per year increase in imports and a strong trend in unfilled orders.

Shipments of uncoated free sheet papers closed 1987 5.5% above last year's total. Significant increases in demand came in such major markets as office reprographics, up 11.7%, and commercial printers, up 10.9%.

Paperboard production, at 96.9% of capacity, gained 5.9% in 1987. This growth was well shared among all the major paperboard grades.

Unbleached kraft paperboard production was up 6.8% from 1986, the largest growth among the major paperboard grades. Production of semichemical paperboard rose 4.3%, while production of recycled corrugating medium gained 7%. These grades are used almost exclusively in the manufacture of fibre boxes; shipment of these boxes reached a record-high 297 billion sq. ft., 4.8% above its year-earlier high.

Recycled paperboard production grew 6.4% from the preceding year, and was equivalent to 92.9% of the reported capacity. Solid bleached production gained 3.2%, operating at 94.2% of capacity.

Continued on page 2

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MARKET WOOD PULP

Production of total market pulp (including dissolving wood pulp) in December 1987 surged from its relatively low November rate to a record-high 745,000 short tons, bringing the 1987 total to 8.2 million tons. Shipments reached a remarkable 835,000 tons as inventories were reduced by about 90,000 tons. The November production rate reflected mill shutdowns for maintenance and repair that had previously been taken in July and December. Strong export demand spurred the December surge in production.

Chemical paper grade market pulp production in December 1987 was a record 625,000 tons; the 1987 total 6.8 million tons, 7.9% above the 1986 record high. Shipments, however, rose by 5.5%, reflecting the different inventory trends in these two years.

Inventories of chemical paper grade market pulp declined by 61,000 tons in December, bringing the year-end total to a low 12 days of supply, 56,000 tons below the level at the end of December 1986.

Most of the increase in December shipments went to the export markets. For 1987 as a whole, export shipments of chemical paper grade market pulp amounted to 4.0 million tons, 7.5% above their 1986 total. The major gains were to Latin America and Asia/Africa, while shipments to Western Europe showed more modest gains. Shipments to the domestic market rose by 2.8%.

PRODUCTIVITY TRENDS ABROAD

In a recent article in the Monthly Labor Review, the Bureau of Labor Statistics reported that international trends in manufacturing productivity have recently shifted strongly in favor of the United States. Specifically, productivity in U.S. manufacturing rose 3.7% in 1986, a gain matched only by the United Kingdom. Japan, Belgium, Denmark, France, West Germany and Italy showed gains of 1 to 3 percent, while productivity remained flat in Sweden and declined slightly in the Netherlands and Norway.

The table below summarizes the manufacturing productivity trends in 12 countries -- all important to the United States paper industry -- for the 1960-1986 period. Highlights of the table include the steep trend of productivity growth in Japan and some of the Western European countries in the 1973-1979 period, particularly as compared to the 1.4% per year growth recorded in the United States. The turnaround in productivity growth in the United States since 1979 is also shown, along with the general slowdown evident in most other countries in 1986. While international data are not yet available for 1987, the BLS did report that manufacturing productivity in the United States rose by 3.2% from the first three quarters of 1986 to the comparable 1987 period. It is unlikely that very many of the countries shown in the table below matched the U.S. growth last year.

Table 1. Annual percent changes in manufacturing productivity, 12 countries, 1960–86

Year	United States	Canada	Japan	France	Germany	Italy	United Kingdom	Belgium	Denmark	Netherlands	Norway	Sweden
Output per hour:												
1960–86	2.8	3.3	7.9	5.2	4.6	5.7	3.6	6.3	4.6	5.9	3.2	4.6
1960–73	3.2	4.5	10.3	6.5	5.8	7.5	4.2	6.9	6.4	7.4	4.3	6.4
1973–86	2.5	2.2	5.6	3.9	3.5	3.8	3.0	5.8	2.8	4.5	2.1	2.8
1973–79	1.4	2.1	5.5	4.9	4.3	3.3	1.2	6.0	4.2	5.5	2.1	2.6
1979–86	3.5	2.3	5.6	3.1	2.7	4.3	4.5	5.5	1.7	3.7	2.2	3.0
1985	5.1	2.5	7.3	3.1	4.1	1.5	3.8	3.0	-2	3.2	1.1	3.8
1986	3.7	-2	2.8	1.9	1.5	1.2	3.5	2.6	1.3	-3	-6	2

NOTE: Rates of change based on the compound rate method

PAPER AND PAPERBOARD STATISTICS

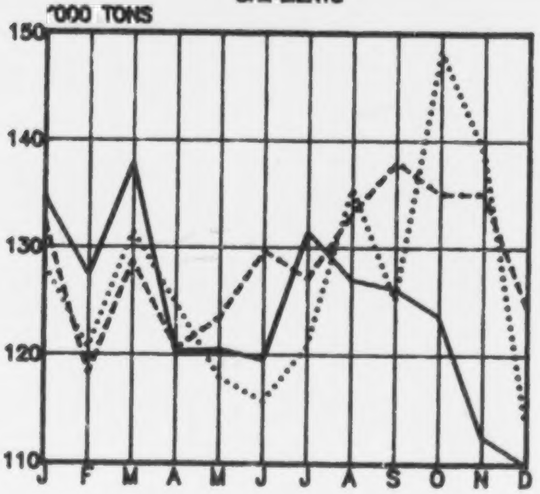
PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

	YEAR		SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	Annual Rate Y T D	% Change From Same Period Last Year
	1985	1986	1987 (P)	1987 (P)	1987 (P)	1987 (P)	1987	
PAPER								
Newsprint - Production	5.428	5,630	494	508	482	499	5.842	3.8
- Shipments	5.431	5.638	498	502	484	508	5.854	3.8
Printing & Writing Sum (R)	18.423	19.625	1,764	1.813	1,723	1.784	20,750	5.7
Groundwood Paper - Shipments	1,521	1,540	126	124	112	110	1,491	-3.2
- New Orders	1,477	1,553	130	119	110	126	1.525	-1.8
-Unfilled Orders	106	124	153	148	147	167	167	34.3
Coated Papers - Shipments	5,875	6,263	591	603	587	592	6.869	9.7
- New Orders	5.642	6,334	570	629	551	618	7,070	11.6
- Unfilled Orders	393	469	666	693	643	696	696	48.4
Unctd Free Sheet - Shipments	9.690	10,410	928	967	907	960	10 983	5.5
- New Orders	9.704	10,485	946	1,026	913	974	11,119	6.0
- Unfilled Orders	509	587	650	705	708	744	744	26.6
Thin Papers - Shipments (R)	263	271	21	21	20	23	251 2.313	-7.1
Cotton Fiber Paper - Shipments	144	152	14	14	13	12	161	5.7
Bleached Bristols - Production	930	990	84	85	84	87	995	0.5
Tissue Paper - Production	4.941	5,095	447	458	454	475	5,341	4.8
Total Packaging & Other Paper	5,204	5.117	420	435	419	418	5.055	-1.2
Unbl. Kraft Paper - Shipments	3,403	3,303	258	259	243	251	3,064	-7.2
Other Paper - Production	1,801	1,814	161	176	176	168	1.991	9.7
TOTAL PAPER-Production-Unadj. (R)	33,997	35,466	3.125	3,214	3,077	3,177	36.987	4.3
-Production-S.A.			3.096	3.101	3.107	3.112		
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	25,404	27.336	2.424	2,405	2,330	2.474	28.899	5.7
Total Unbl. Kraft Paperboard	16,368	17,689	1,613	1,566	1,527	1,642	18.888	6.8
Unbl. Kraft Linerboard (1)	15,183	16,402	1,521	1,485	1,443	1,531	17,608	7.4
Production for Export	1,830	2,246	186	176	139	217	2,268	1.0
Other Unbl. Kraft Paperboard	1,184	1,287	92	81	84	111	1,281	-0.5
Semichemical Paperboard	5,088	5.376	469	474	458	450	5,605	4.3
Production for Export	189	213	14	13	11	12	186	-12.3
Solid Bleached Paperboard	3,948	4,271	342	365	345	382	4,405	3.2
Production for Export	466	569	47	43	46	47	564	-0.9
Recycled Paperboard	7,630	8,083	705	772	739	691	8,594	6.3
Production for Export	26	70	5	5	9	6	60	-14.0
TOTAL PAPERBOARD-Prod.-Unadj.	33,034	35,419	3,129	3,177	3,069	3,165	37,493	5.9
- Containerboard Prod.(Dom. Use)	20.042	21,426	1,976	1,970	1.938	1,947	23,026	7.5
- Boxboard Prod.(Dom. Use) (2)	5,673	5.903	492	538	505	515	6,168	4.5
- All Other P'bd Prod.(D.U.) (2)	4,808	4.992	410	433	420	421	5.220	4.6
- Total Paperbd Prod. for Export	2,511	3.097	251	236	206	282	3,079	-0.6
TOTAL PAPERBOARD PROD.- S.A.			3,149	3.159	3.169	3.179		
TOTAL PAPER AND PAPERBOARD								
Production - Unadj. (R)	67,031	70,885	6.254	6.390	6.146	6.342	74,480	5.1
Production - S.A.			6,245	6,261	6,276	6,292		

(1) Includes all exports of kraft paperboard. R - Revised P - Preliminary S.A. - Seasonally Adjusted
(2) Data for unbl. kraft folding boxboard incl. in All Other P'bd.

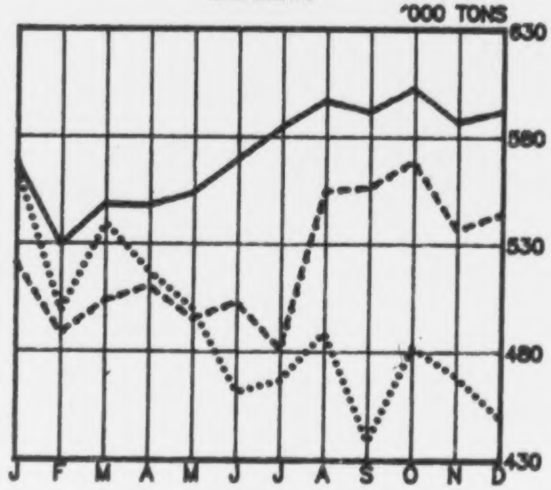
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



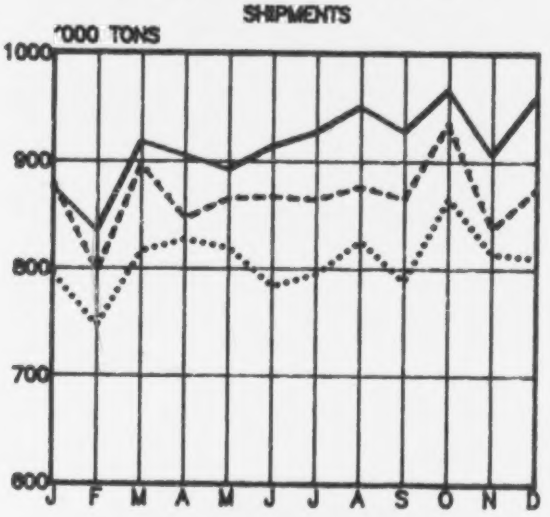
COATED PAPER

SHIPMENTS



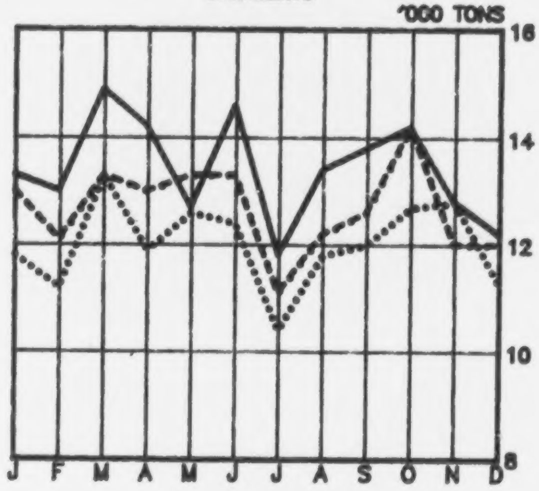
UNCOATED FREE SHEET PAPERS

SHIPMENTS



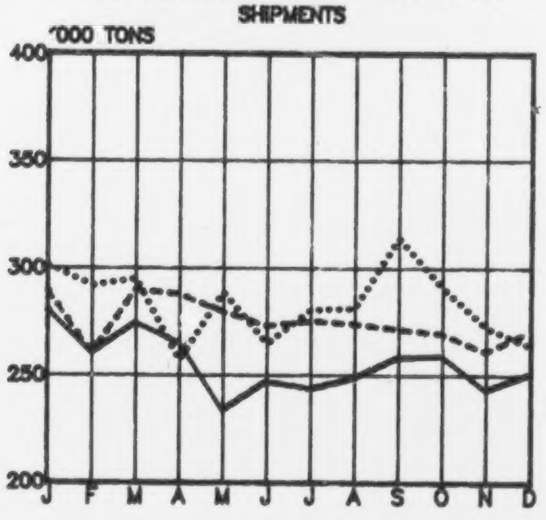
COTTON FIBER PAPER

SHIPMENTS



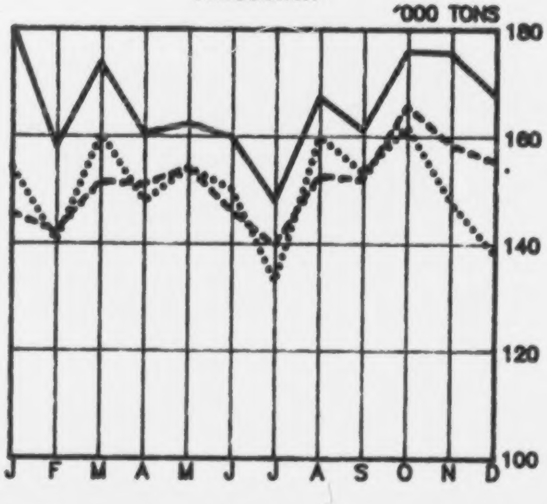
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1985 .... 1986 ------ 1987 ———

WOOD PULP STATISTICS
(Thousands of Tons)

	YEAR 1985	YEAR 1986	AUGUST 1987	SEPTEMBER 1987	OCTOBER 1987	NOVEMBER 1987	Annual Rate Y-T D 1987	% Change from same Period Last Year
TOTAL WOOD PULP					R	P		
Total Wood Pulp - Production	54,147	57.017	5.083	4.925	5,066	4.812	59,370	4.4
- Imports	4,466	4.582	380	432	386	401	4 839	3 5
- Exports	3,791	4,458	390	442	333	365	4,760	7.8
- New Supply	54.821	57.140	5.073	4.915	5.119	4.848	59.449	4 1
Dissolving Pulp - Production	1.174	1,258	102	112	88	137	1,312	5.9
- Imports	175	255	22	19	19	9	206	-20.1
- Exports	631	711	62	65	53	61	741	5.4
New Supply	718	801	62	66	54	85	777	-2.1
Paper Grades Chemical Pulp - Production	43.696	46.081	4,162	3,947	4,110	3.851	48.090	4.7
- Imports	4,104	4.220	349	391	345	376	4.448	3 3
- Exports	3.131	3,689	326	376	278	301	3 995	9.4
- New Supply	44,668	46.612	4.186	3.963	4.176	3.925	48.544	4 2
Groundwood and Thermo-Mech. - Production	5,251	5,487	487	506	501	472	5,706	4.1
- Imports	187	108	8	22	23	17	185	67.6
- Exports	29	59	2	1	2	3	24	-61.5
- New Supply	5,409	5.536	493	527	523	486	5 867	6.1
Semi-Chemical - Production	4,027	4,191	333	359	367	352	4,261	1.6
- Imports								
- Exports								
- New Supply	4,027	4.191	333	359	367	352	4.261	1.6
MARKET WOOD PULP								
Total Market Wood Pulp - Production	6.800	7,583	708	680	670	670	8.078	7.5
- Imports	2.791	3,122	268	292	267	260	3.210	2.8
- Exports	3,784	4.470	369	469	383	317	4 678	7 4
- New Supply	5,807	6,235	607	503	554	613	6.610	5.2
Dissolving Pulp - Production	1,172	1.251	102	112	88	137	1,308	6.2
- Imports	174	212	19	15	14	8	159	-24.9
- Exports	667	718	54	88	56	47	750	8.4
- New Supply	679	745	66	40	46	99	717	-4.6
Paper Grades Chemical Pulp - Production	5,613	6.315	604	566	581	532	6.756	7.8
- Imports	2.531	2,831	245	269	240	246	2,949	4.3
- Exports	3,117	3.752	315	381	327	270	3.928	7.3
- New Supply	5.028	5,394	535	454	494	508	5,777	6.3
Groundwood Pulp and All Other - Production	15	17	1	1	1	1	14	-11.5
- Imports	86	79	4	8	13	6	101	22.2
- Exports	1	0	0	0	0	(0)	0	0.0
- New Supply	100	96	5	9	14	7	116	16.8

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

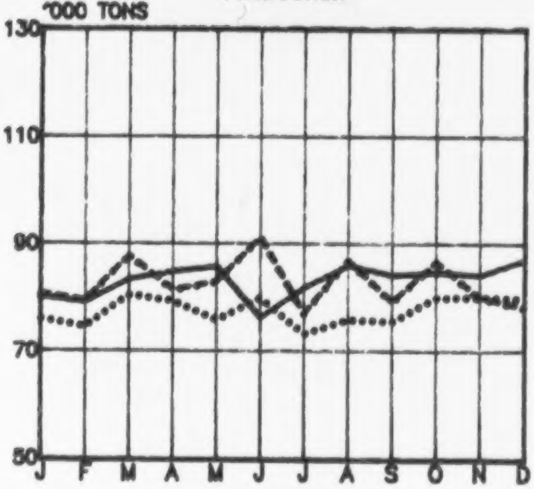
FIBROUS RAW MATERIALS
(Thousands of tons)

CONSUMPTION AT PAPER & PAPERBOARD MILLS					R	P		
Total	69.670	73.556	6.541	6.449	6.630	6.310	76.961	4.6
Total Wood Pulp	54.047	56,320	4.943	4.905	5,012	4,756	58,570	4.0
Waste Paper	15.623	17.236	1,598	1 544	1.619	1.553	18.391	6 4
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers Own-Use Inventories	165	174	177	167	161	162	162	-7.4
Producers Market Inventories	485	284	340	273	267	290	290	-17.8
Consumers Purchased Inventories	534	496	539	561	531	499	499	3.4
Waste Paper at Paper & Bd. Mills	969	832	745	804	832	811	811	3.1
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	30	16	18	14	14	15	15	-28.6

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons

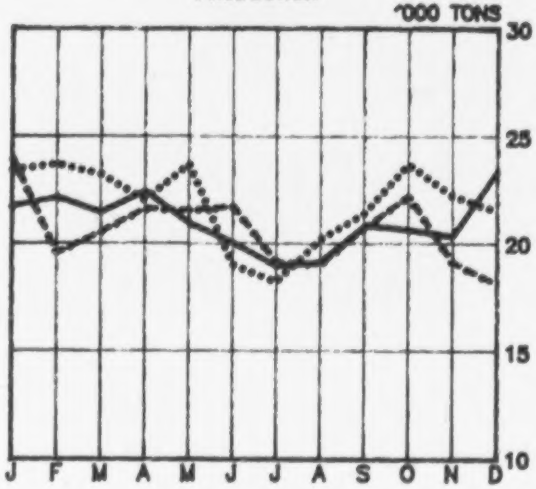
BLEACHED BRISTOLS

PRODUCTION



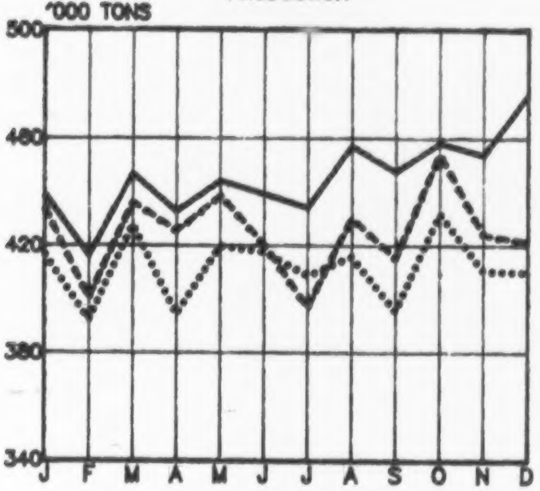
THIN PAPER

PRODUCTION



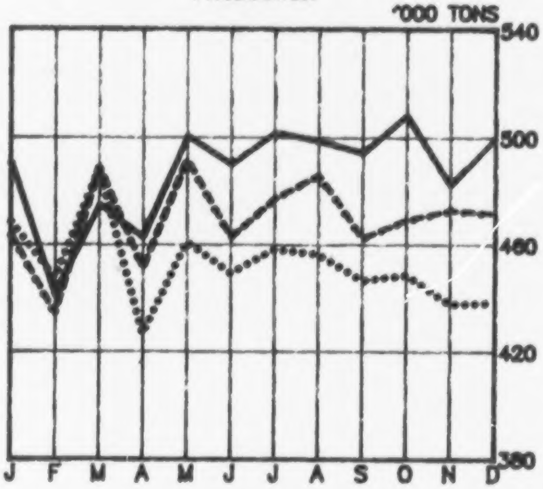
TISSUE PAPER

PRODUCTION



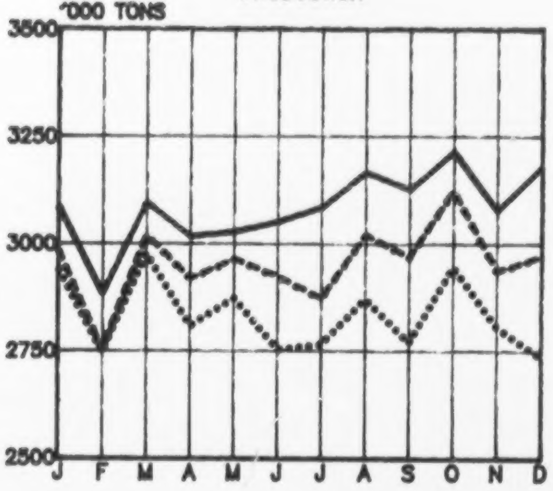
NEWSPRINT

PRODUCTION



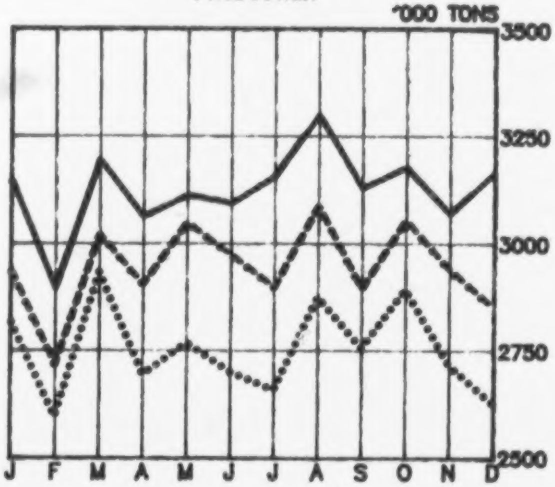
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1985 ········ 1986 - - - - -1987 ———

FIBROUS RAW MATERIALS
(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1985	YEAR 1986	AUGUST 1987	SEPTEMBER 1987	OCTOBER 1987	NOVEMBER 1987	Annual Rate Y-T-D 1987	% Change From Same Period Last Year
PULPWOOD									
Total U.S.	- Total Receipts	85.499	90.943	7.543	8 361	8.436	7 227	94.155	3 6
	- Total Consumpt	85.744	91,434	7,729	7,856	7,984	7,401	93,583	2.6
	- Residues *	30,464	32,755	2.637	2.848	3.029	2 649	32,942	0 0
	- Inventories	5,046	4.794	4,703	5,044	5,301	5,211	5,211	6.2
So. Atlantic	- Total Receipts	27,589	29.513	2.529	2.826	2.814	2.462	31.077	5.5
	- Total Consumpt	27,815	29.425	2,519	2,773	2,605	2,466	30.789	5.0
	- Residues *	7,970	9,343	779	912	915	820	9.527	1 7
	- Inventories	1,117	994	1.040	1,114	1,256	1,248	1,248	17.7
Northeast	- Total Receipts	7.430	7.277	554	545	592	513	6 920	-4.5
	- Total Consumpt	7.394	7.227	596	539	599	559	7,125	-1.5
	- Residues *	1,539	1.419	117	129	134	126	1 540	7.5
	- Inventories	544	484	471	514	542	507	507	13.4
South Central	- Total Receipts	29.786	31,790	2,687	2.813	2.975	2 564	33.471	5.4
	- Total Consumpt	29,914	32,113	2,707	2,698	2,787	2.582	32.796	2.6
	- Residues *	9.207	9.792	758	819	867	771	10.023	2 6
	- Inventories	1,198	926	1.048	1,180	1,363	1,317	1,317	25.3
North Central	- Total Receipts	6.430	6.571	539	539	632	487	6.523	0 1
	- Total Consumpt	6.296	6.730	559	536	610	563	6.768	0.5
	- Residues *	1,290	1.042	104	109	165	117	1.212	16.3
	- Inventories	804	892	837	857	883	815	815	-0 6
West	- Total Receipts	14.264	15,792	1.334	1,338	1,423	1.201	16.165	1 6
	- Total Consumpt	14.325	15.939	1.348	1,310	1,383	1,231	16,105	0.8
	- Residues *	10,458	11,159	879	879	948	815	10.640	-6.1
	- Inventories	1.303	1,498	1,307	1,379	1,257	1,324	1,324	-13.5

* - Consumption of Residues in Cord Equivalents.   SOURCE: American Pulpwood Association   01-Jan-88

UNITED STATES TRADE WITH CANADA

IMPORTS FROM CANADA

	YEAR 1986 Tons	YEAR 1986 ($000's)	SEPTEMBER Tons	SEPTEMBER 1987 ($000)	OCTOBER Tons	OCTOBER 1987 ($000)	Annual Rate Y-T-D 1987 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	59.490	4,224	2,743	100	4.867	655	14.437	-77.7
Pulpwood chips	723.257	19.488	38,196	1,100	60,798	2,197	459,086	-38.2
Wood Pulp. Total	3,949.414	1,422,180	358.441	159.813	368.904	166.436	4.326.371	7.4
Waste Fibrous Materials, Total	157,870	27,196	13,718	2,655	17,851	3,745	184,096	14.4
Paper, Board & Products, Total	9.963,486	4.467.761	887.137	443.707	891,348	447.571	10.640.660	5.4
Paper, Paperboard, Wet Machine Bd. & Constr. Paper & Bd.	9,842,154	4,268.820	874,574	421,279	877.994	424,091	10.492,916	5.3
Paper, Paperboard & Products	9,715.710	4.393,592	869,654	438,671	875,616	442,813	10,411.746	5.8
Paper & Paperboard, Only	9.594,378	4,194,651	857.091	416.242	862,262	419.333	10.264.002	5.7
Paper, Total	9.367,380	4,130,464	834,377	408.931	842,290	412.528	10,009,008	5.5
Newsprint	8.269,333	3.556.983	710,321	339.534	728.265	347.455	8.638.964	3.0
Printing, Writing & Rel. Pap.	868,628	457.685	103,433	57,766	94,374	53,462	1,109,608	28.4
Pack. & Ind. Conv. Paper	182,401	81,492	16.844	8.449	15.782	8,317	215.667	17.3
Special Industrial Paper	4.766	7.893	365	705	510	880	5,440	20.1
Tissue Paper	42,173	26.411	3.415	2,476	3.358	2.415	39,330	-6.5
Paperboard, Total	226,998	64,187	22,714	7,312	19,972	6.805	254.994	11.7
Convtd Paper&Paperbd Products	121,332	198,941	12,563	22,428	13,354	23,480	147,744	19.5
Wet Machine Board	2.332	1,570	232	159	296	198	2.956	23.6
Construction Paper & Board	245,444	72,599	17,250	4.878	15.436	4.561	225,957	-10.8

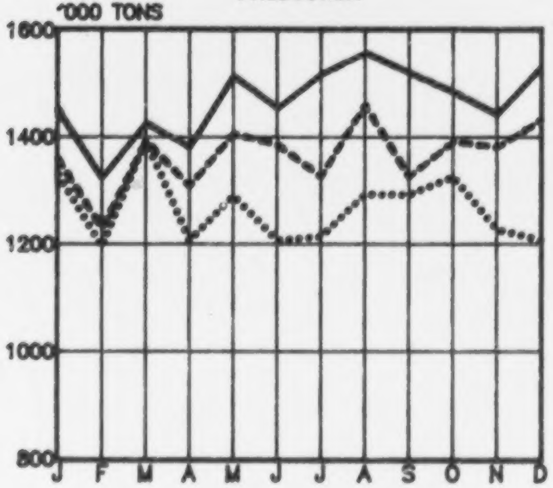
EXPORTS TO CANADA

	YEAR 1986 Tons	YEAR 1986 ($000's)	SEPTEMBER Tons	SEPTEMBER 1987 ($000)	OCTOBER Tons	OCTOBER 1987 ($000)	Annual Rate Y-T-D 1987 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	39,191	2,201	4.419	286	0	0	11.627	-71.5
Pulpwood chips	262.844	13,577	3,418	199	2,218	174	64,743	-73.1
Wood Pulp, Total	262,353	76.591	12.900	4.754	14.907	6.372	204.221	-22.9
Cotton Pulp & Other Pulp	33,629	10,458	4,152	844	3.872	1,112	54,651	63.5
Waste Paper	226,215	23.254	25.774	2.790	23,214	2.564	278.747	26.7
Paper, Board & Products, Total	725,421	464.684	87,260	50,478	83,544	53.988	959.950	32.7
Paper, Paperboard, Wet Machine Bd. & Constr. Paper & Bd.	570,635	315.710	63,017	34 546	66.282	37.616	712.696	25.4
Paper, Paperboard & Products	695,561	452,129	82.986	48,532	80,665	52.788	922,568	33.1
Paper & Paperboard, Only	510,775	303,154	58.744	32,600	63.403	36.416	675,315	25.5
Paper, Total	278,911	200,168	24,807	21,383	26,932	23.844	297,731	8.1
Newsprint	6.040	4.457	370	363	197	197	4 638	-14.3
Printing, Writing & Rel. Pap.	121,167	99,480	13,314	11,625	15,278	12,719	150.991	24.9
Pack. & Ind. Conv. Paper	25,614	16,467	3.134	1.609	1.902	1,570	25.520	-2 2
Special Industrial Paper	122 874	75,189	7,711	7,285	8,962	8,767	110.986	-7.4
Tissue Paper	3,217	4,577	278	502	592	591	5.596	67.9
Paperboard, Total	261.864	102.986	33.937	11,217	36,472	12,572	377,584	43.8
Convtd Paper&Paperbd Products	154,786	148.975	24,243	15.932	17.262	16.372	247.254	59.5
Wet Machine Board	10,728	4,638	990	483	797	396	10,595	-1.2
Construction Paper & Board	19,132	7,918	3,283	1,464	2.082	804	26.787	36.6

SOURCE: Bureau of Census, Department of Commerce   E - Estimate of tonnage based on square foot data   01-Jan-88

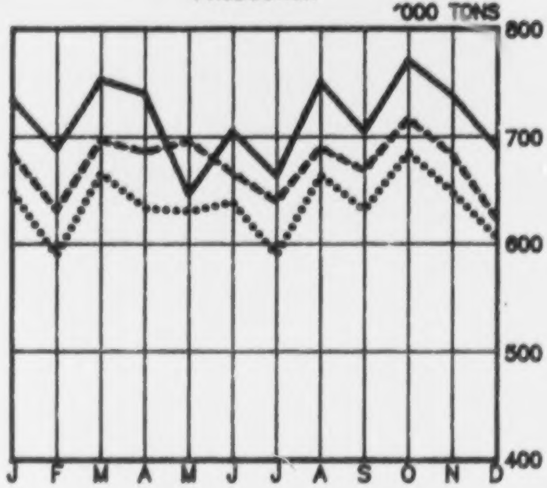
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



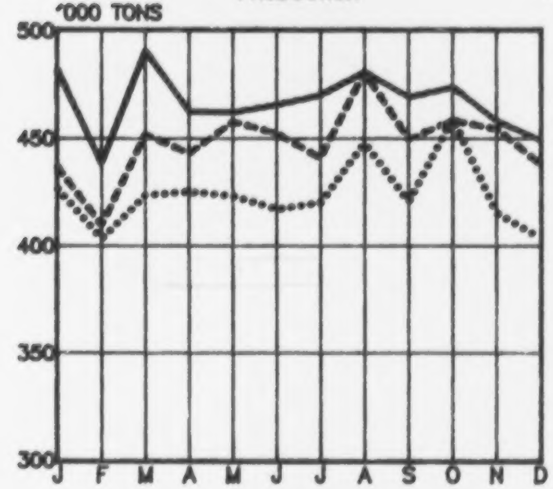
RECYCLED PAPERBOARD

PRODUCTION



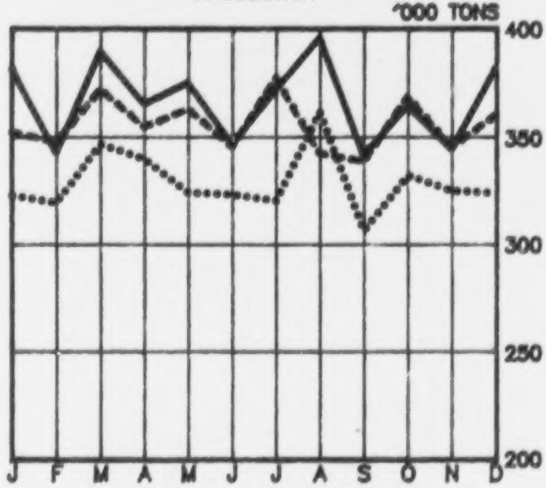
SEMICHEMICAL PAPERBOARD

PRODUCTION



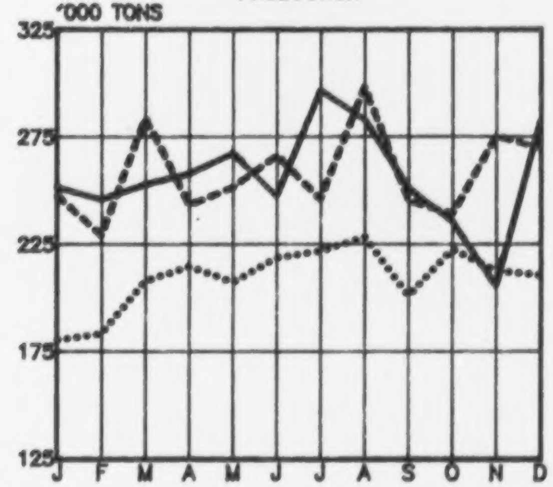
SOLID BLEACHED PAPERBOARD

PRODUCTION



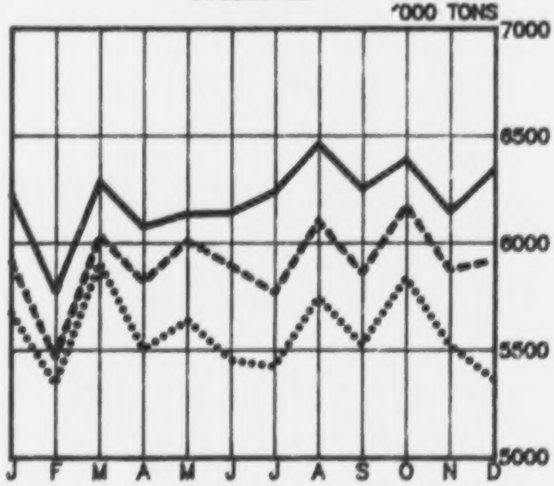
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1985 ········ 1986 - - - - - 1987 ———

IMPORTS

	YEAR 1986 Tons	YEAR 1986 $000	1987 OCTOBER Tons	1987 OCTOBER $000	1987 NOVEMBER Tons	1987 NOVEMBER $000	(1) Annual Rate YTD 1987 Tons	% Change from same Period Last Year
Pulpwood Roundwood (cords)	60,050	4,563	2,743	180	4,867	655	14,492	-78.08
Pulpwood Chips	724,020	19,642	39,172	1,129	63,276	2,244	500,999	-32.74
Total All Imports	16,722,494	7,674,736	1,524,766	804,458	1,554,937	822,906	17,923,429	5.59
Wood Pulp Total	4,501,760	1,601,370	306,234	171,393	401,228	101,855	4,839,399	3.49
Waste Paper	99,313	11,102	11,319	1,007	13,442	2,333	124,538	25.35
Other Fibrous Materials	104,969	26,326	3,051	1,707	5,629	2,093	77,412	-28.36
Paper Board & Products Total	11,936,452	6,035,850	1,123,362	629,551	1,134,630	636,625	12,002,079	6.54
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	11,546,545	5,247,129	1,090,301	547,296	1,101,717	556,964	12,478,129	6.67
Paper Ppbd & Prds ex Cnst&WMB	11,596,808	5,920,457	1,098,946	621,997	1,112,737	629,176	12,564,819	7.00
Paper & Paperboard Only	11,206,901	5,139,735	1,065,884	539,741	1,079,816	549,514	12,161,070	7.15
Paper Total	10,925,453	5,051,917	1,030,265	530,440	1,050,850	537,809	11,798,673	6.55
Newsprint	8,507,507	3,602,351	746,401	355,654	776,615	368,142	9,028,911	3.54
Printing & Writing	2,029,302	1,179,002	257,322	152,513	245,070	148,780	2,398,733	17.21
Uncoated Groundwood	1,028,231	531,149	142,424	76,110	126,483	68,173	1,270,932	21.50
Coated Print.& Impreg. Pap.	501,302	359,495	74,730	50,664	65,823	47,414	668,068	33.31
Uncoated Free Sheet	453,630	254,627	36,900	22,691	49,056	30,210	410,724	-9.12
Uncoated Book	223,790	126,270	17,597	10,227	21,217	12,870	217,237	-2.95
Writing and Similar Paper	229,841	128,349	19,310	12,464	27,830	17,331	193,480	-15.17
Thin (except Cigarette)	45,351	33,831	3,120	2,911	3,574	2,856	48,042	2.73
Bristols	700	700	124	137	143	128	967	36.52
Total Pkg & Other Paper	242,571	146,212	29,163	10,131	22,373	15,623	312,775	29.27
Unbleached Kraft Paper	115,008	42,650	17,272	6,769	11,109	4,983	170,736	48.77
Other Pkg. & Indust. Paper	127,562	103,562	11,892	11,363	11,263	10,640	142,039	11.67
Tissue	66,073	43,552	5,379	4,150	6,784	5,263	58,253	-9.87
Paperboard, Total	281,448	87,818	27,619	9,293	29,966	11,705	362,397	31.26
Test or Containerboard	78,063	25,596	7,730	2,760	6,307	2,665	79,970	1.67
Semi-Chemical Corrugating	99,062	22,092	10,519	2,801	10,453	2,947	125,504	28.59
Other Paperboard	104,324	40,130	9,361	3,732	12,126	6,092	156,924	56.94
Convtd Paper&Paperbd Products	389,907	780,721	33,061	82,256	32,921	79,662	403,750	2.76
Paper Products, Total	361,517	730,257	30,558	76,615	30,060	74,066	369,867	1.61
Paperboard Products, Total	28,390	50,464	2,503	5,641	2,861	5,596	33,883	17.24
Wet machine Board	3,235	2,525	302	241	359	254	3,556	7.49
Construction Paper & Board	336,409	104,868	24,115	7,314	21,543	7,196	313,703	-9.19
Notes								
Other: No Weight Avail. ($000)		212,338		16,991		13,558	202,732	-5.02
Total Imports Incl. Other($000)		7,887,074		821,449		836,464	9,222,291	15.65

EXPORTS

	YEAR 1986 Tons	YEAR 1986 $000	1987 OCTOBER Tons	1987 OCTOBER $000	1987 NOVEMBER Tons	1987 NOVEMBER $000	(1) Annual Rate YTD 1987 Tons	% Change from same Period Last Year
Pulpwood, Roundwood (cords)	42,190	2,373	4,419	286	0	0	13,679	-68.92
Pulpwood Chips	2,420,333	170,022	197,701	15,005	232,401	17,517	2,480,483	7.24
Total All Exports	13,051,152	4,685,447	1,175,086	466,066	1,214,875	490,906	14,550,570	12.22
Wood Pulp,Total	4,458,312	1,662,466	332,615	160,992	364,533	174,901	4,759,405	7.75
Cotton Pulp and Other Pulp	157,452	72,500	12,955	6,280	12,837	7,903	177,421	13.40
Waste and Old Paper	3,748,711	411,076	404,341	47,776	420,467	52,699	4,338,819	15.73
Paper, Board & Products,Total	4,686,677	2,539,405	425,175	251,019	409,030	255,403	5,274,925	13.59
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	4,168,179	1,853,616	363,786	184,974	340,399	183,973	4,552,280	10.38
Paper, Ppbd & Prod ex Cnst&WMB	4,592,635	2,487,507	415,353	245,963	397,917	249,697	5,166,771	13.56
Paper & Paperboard, Only	4,066,137	1,801,718	353,965	179,919	337,278	178,266	4,444,125	10.27
Paper, Total	883,689	642,597	76,216	63,343	77,108	69,548	913,216	4.70
Newsprint	392,228	194,549	25,865	16,614	27,370	19,175	337,965	-11.65
Printing & Writing	190,656	185,271	21,917	21,040	23,018	22,337	247,050	29.81
Uncoated Groundwood	40,847	28,947	5,966	4,171	5,402	3,782	55,739	35.75
Clay Coated Paper	78,240	57,856	8,485	6,367	10,113	7,571	99,847	27.38
Uncoated Free Sheet	50,140	71,354	6,137	8,377	5,712	8,859	66,530	34.85
Other Printing & Writing	21,420	27,114	1,329	2,125	1,792	2,126	24,933	15.74
Total Pkg. & Other Paper	284,048	241,426	23,657	23,117	23,995	25,723	290,414	2.90
Unbleached Kraft	78,248	32,009	7,161	3,315	7,651	3,207	86,061	8.49
Other Pkg. & Indust. Paper	205,800	209,417	16,496	19,802	16,344	22,436	204,353	0.72
Tissue	16,750	21,351	4,778	2,572	2,725	2,313	37,787	120.04
Paperboard, Total	3,182,448	1,159,121	277,748	116,575	260,170	108,718	3,530,909	11.01
Solid Wood Pulp	2,982,973	1,074,964	250,072	108,168	230,961	98,344	3,202,249	8.03
Total Linerboard	2,177,420	635,749	172,126	62,347	162,610	60,743	2,282,947	5.72
Bleached Kraft Linerboard	133,787	51,448	4,566	2,376	15,265	7,064	93,584	-33.31
Unbleached Kraft Linerbd	2,043,633	584,301	167,560	59,971	147,345	53,679	2,189,363	8.44
Other Unbleached Kraft	157,614	57,548	13,151	5,134	17,747	6,564	214,410	41.31
Other Bleached Kraft	571,298	359,954	61,260	39,233	46,179	29,342	638,900	10.07
Semi-Chemical Corrugating	76,641	21,713	3,534	1,455	4,426	1,695	65,992	-14.01
Recycled Paperboard	199,476	84,157	27,677	8,407	29,209	10,374	328,660	69.64
Convtd Paper&Paperbd Products	526,497	685,789	61,389	66,045	60,639	71,431	722,645	39.06
Paper Products, Total	240,171	456,429	24,324	45,058	24,131	46,190	298,304	24.04
Paperboard Products, Total	286,327	229,360	37,065	20,986	36,509	25,240	424,342	51.17
Wet Machine Board	10,893	7,259	1,693	706	1,000	510	17,946	-6.07
Construction Paper & Board E	75,149	44,639	8,129	4,270	10,033	5,197	90,208	20.46
Notes								
Other: No Weight Avail. ($000)		7,298		602		806	8,030	9.36
Total Exports Incl. Other($000)		4,692,745		466,668		491,712	5,905,878	27.11

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description.

PRODUCER PRICE INDEXES

1967 = 100

	1985	1986	SEPTEMBER 1987	OCTOBER 1987	NOVEMBER 1987	DECEMBER 1987	Annual Rate Y T D 1987	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	292.0	293.9	316.9	319.0	320.1	321.0	312.4	6.3
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	294.5	295.9	318.3	320.5	321.7	322.6	313.9	6.1
Total Wood Pulp	346.6	358.7	444.0	445.2	445.9	440.8	424.7	18.4
Total Paper	303.4	306.3	321.4	324.9	327.1	328.3	319.2	4.2
Total Paper, exc. Newsprint	298.8	300.4	307.7	314.1	316.2	318.3	307.6	2.4
Newsprint	332.9	326.1	369.2	368.4	369.9	368.8	354.5	8.7
Total Paperboard	274.6	271.6	308.5	310.8	311.3	312.8	300.9	10.8
Total Paper and Paperboard *	294.4	295.3	317.4	320.5	322.1	323.4	307.4	6.1
Converted Products	288.1	289.3	306.3	308.1	309.4	309.7	303.3	4.8
Waste Paper	148.8	172.8	234.2	232.5	225.4	227.7	220.6	27.7
All Commodities	308.9	299.8	310.4	311.4	311.9	311.7	300.9	2.9
Industrial Commodities	324.0	312.1	323.3	324.9	325.4	325.3	320.4	2.6

SOURCE: Producer Price Indexes - Bureau of Labor Statistics, U.S. Department of Labor   * Computed by API

U.S. EXPORTS OF TOTAL PAPER, PAPERBOARD AND CONVERTED PRODUCTS

(000 short tons)

	1979	1984	1985	1986	1987*
Western Europe	1,020.5	950.4	688.5	860.6	896.2
Canada	645.7	756.5	736.1	724.7	955.1
Central & South America, (including Mexico)	1,064.0	1,012.7	1,020.3	1,111.3	1,267.1
Africa & Middle East	301.9	382.7	346.5	337.3	393.5
Oceania & Far East 1/	394.0	627.4	614.9	827.8	867.2
Japan	265.7	543.7	534.1	597.8	604.3
People's Republic of China	11.3	113.3	130.9	227.1	325.9
World	**3,704.2**	**4,386.9**	**4,071.6**	**4,686.8**	**5,310.1**

NOTE: U.S.S.R./Eastern Europe not shown separately

1/ This category does not include Japan or the People's Republic of China.

* 10 months of data at annualized rate

Source: U.S. Department of Commerce

PAPER AND PAPERBOARD EXPORT PATTERNS

U.S. exports of paper, paperboard, and converted products scored another impressive gain last year, rising 13.6% to an annualized rate of 5.3 million tons during the first 11 months of 1987. (See table on page 9.) Last year's vigorous performance followed a 15.1% advance in 1986 and in large measure reflected the return of the dollar's foreign exchange value to levels more consistent with economic fundamentals. When the dollar was overvalued, total exports of paper, paperboard, and converted products declined, 4% in 1984 and 7.2% in 1985. (See summary table on page 10 for annual export trends of paper, paperboard, and converted products by country of destination; a more detailed breakdown by major product category is provided on page 12. The 1987 figures in both tables are based on 10 months data.)

The strong growth performance of exports from 1985 to 1987 spanned all major categories, but was especially significant with respect to kraft linerboard (up 28%) and bleached paperboard (up 25%). However, most of the kraft linerboard gain came in 1986 when exports rose 20% over their year earlier total. The bleached paperboard export gains were more evenly distributed over the two-year period.

The Bureau of the Census reported that kraft linerboard exports in the first 11 months of 1987 ran at an annualized rate of 2.3 million tons. This was the strongest showing since 1980, when they amounted to 2.5 million tons. The most substantial increases in U.S. linerboard exports during the 1985-87 period were to the Far East and Oceania [1] and to the People's Republic of China. China's share of U.S. linerboard exports more than doubled, from 6.1% in 1985 to 12.8% during the first 10 months of 1987. Although the tonnage volume of U.S. linerboard exports to Western Europe increased 19% between 1985 and 1987, the share accounted for by Western Europe declined slightly from 28.3% in 1985 to an estimated 26.3% last year. Exports of kraft linerboard to Japan accounted for 7.1% of the total in the first ten months of 1987, compared to 7.6% in 1986 and 8.3% in 1985.

Bleached paperboard exports, largely milk carton stock, were reported at an annualized rate of 638,900 tons during the first 11 months of 1987, representing a 10.9% gain relative to the previous year's annual volume. In 1986, bleached paperboard exports registered a 10.4% advance. Japan remained the leading source of demand for U.S. bleached paperboard exports in 1987, accounting for 28.6% of total tonnage volume in the first ten months of last year. That percentage was down from 33.2% in 1985 and 30.9% in 1986. Canada and the Far East and Oceania increased their respective market shares since 1985. (See table on page 12.)

U.S. exports of paper -- mainly newsprint, printing-writing, and special industrial -- increased 13.4% in 1986 and then gained another 3.2% during the initial 11 months of 1987, reaching an annualized rate of 913,216 tons. Canada remained the largest importer of paper from this country during the first 10 months of 1987, accounting for 32.4% of U.S. paper exports. Japan ranked second in terms of U.S. paper exports last year, with a 25.7% market share. Most of this was newsprint.

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[1] The category Far East and Oceania does not include Japan or the People's Republic of China.

Continued on page 12

U.S. EXPORTS BY AREA OF DESTINATION
(000 short tons)

KRAFT LINERBOARD

	1979	1984	1985	1986	1987*
Western Europe	711.1	712.1	511.3	636.1	607.7
Canada	54.6	37.0	39.6	41.6	45.0
Central & South America	434.2	451.4	442.3	473.1	506.5
Africa & Middle East	170.3	252.7	244.1	228.3	239.7
Oceania & Far East 1/	189.7	330.0	309.9	449.8	456.1
Japan	74.4	164.7	150.1	166.1	163.6
People's Republic of China	10.5	109.9	109.8	182.4	295.5
World	**1,644.9**	**2,058.0**	**1,807.2**	**2,177.4**	**2,314.1**

BLEACHED PAPERBOARD

	1979	1984	1985	1986	1987*
Western Europe	82.1	78.3	53.0	60.8	68.0
Canada	66.7	73.7	77.9	87.6	106.8
Oceania & Far East 1/	79.5	94.0	107.9	132.4	152.9
Japan	119.2	166.8	171.7	176.6	184.9
Other	161.1	130.4	107.0	113.9	134.2
World	**508.6**	**543.2**	**517.5**	**571.3**	**647.4**

TOTAL PAPER

	1979	1984	1985	1986	1987*
Western Europe	79.3	36.0	34.4	37.8	47.0
Canada	194.7	296.8	271.6	278.9	295.2
Oceania & Far East 1/	69.5	123.8	119.8	146.2	149.4
Japan	23.5	199.4	197.1	236.2	234.7
Other	234.0	154.6	156.0	184.7	185.9
World	**600.9**	**810.6**	**779.0**	**883.8**	**912.1**

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* 10 months of data at annualized rate

1/ This category does not include Japan or the People's Republic of China.

Source: U.S. Department of Commerce

A 2500-2

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

FEBRUARY 2, 1988

PRODUCTION (000 TONS)

	DECEMBER	NOVEMBER	DECEMBER	FULL YEAR		% CHANGE YR TO DATE
	1987	1987	1986	1987	1986	1987/1986
PAPER GRADES						
Newsprint	499	482	472	5.842	5.630	3.8
Printing & Writing	1,784	1.723	1,653	20,750	19,625	5.7
Uncoated Groundwood (s)	110	112	125	1,491	1.540	-3.2
Coated Paper (s)	592	587	544	6,869	6,263	9.7
Uncoated Free Sheet Paper (s)	960	907	874	10,983	10.410	5.5
Thin Paper (s)	23	20	20	251	271	-7.1
Cotton Fiber Paper (s)	12	13	12	161	152	5.7
Bleached Bristols (s)	87	84	78	995	990	0.5
Tissue Paper	475	454	421	5.341	5.095	4.8
Total Pkg & Other Paper	418	419	426	5,055	5,117	-1.2
Unbleached Kraft Packaging & Indl. Converting (s)	251	243	271	3,064	3.303	-7.2
Other Paper	168	176	155	1,991	1,814	9.7
TOTAL PAPER	3,177	3,077	2,972	36,987	35,466	4.3
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,642	1,527	1,529	18,888	17,689	6.8
Unbleached Kraft Linerboard	1,531	1,443	1,433	17,608	16,402	7.4
Other Unbl. Kraft Paperboard	111	84	96	1.281	1,287	-0.5
Semichemical Paperboard	450	458	438	5,605	5,376	4.3
Bleached Paperboard	382	345	361	4,405	4,271	3.2
Recycled Paperboard	691	739	624	8,594	8,083	6.3
TOTAL PAPERBOARD	3,165	3,069	2,951	37,493	35,419	5.9
TOTAL PAPER AND PAPERBOARD	6.342	6,146	5,923	74,480	70.885	5.1

WOOD PULP (ALL GRADES)	NOVEMBER 1987	OCTOBER 1987	NOVEMBER 1986	First 11 Months 1987	1986	% Change 87/86
Dissolving & Special Alpha	137	88	95	1203	1136	5.9
Bleached Sulfite	104	111	99	1163	1173	-0.9
Unbleached Sulfite	16	16	13	156	151	2.9
Bleached & Semi-Bl. Sulfate	2015	2161	2044	23167	22061	5.0
Unbleached Sulfate	1716	1822	1674	19597	18722	4.7
Semichemical	352	367	351	3906	3846	1.6
Groundwood & Thermomechanical	472	501	458	5230	5025	4.1
TOTAL PULP DIVISION DATA	4812	5066	4733	54422	52114	4.4

(s) - Shipments
P - Preliminary

FEBRUARY 2, 1988

	Full Year		INDUSTRY DATA 1986 - 1987			Ann. Rate Year - To - Date	% From Same Pd. Last Year
				R	P		
PAPER AND PAPERBOARD -- Tons (000)	1985	1986	October	November	December	1987	
Total Production (API).......: excluding :...	67.030	70.861	6.390	6.146	6.342	74,480	5.1
Total Seasonally Adjusted.....:construction:...			6,261	6,276	6,292		
Imports (including Products).. and wet :..E	11,106	11,597	1,099	1.113	1.088	12,606	8.7
Exports (including Products).: machine :..E	4,009	4,593	415	398	416	5,152	12.2
Apparent Consumption.........: grades :...	74,127 a	77.866 b	6.944	6.991	6.963	81,713 c	5.2
Paper Production % Tonnage Capacity..........	90.5 g	93.1 g	95.4	94.9	93.9	94.2 gn	-
Paperboard Production % Tonnage Capacity......	90.0 g	94.4 g	95.9	96.3	94.8	98.3 g	-
			September	October	November		
IMPORTS.....:Including Construction and :...	11,521	11,936	1,118	1,123	1,135	12,882	9.5
EXPORTS.....: WMB Grades (excl. HPB) :...	4,077	4,687	443	425	409	5.275	13.6
			September	October	November		
MARKET WOOD PULP PRODUCTION - Tons (000)........	6,800	7,583	680	670	670	8,078	7.5
TOTAL WOOD PULP PRODUCTION - Tons (000).........	54,147	57.017	4.925	5.066	4.812	59.370	4.4
WOOD PULP IMPORTS - TONS (000)..................	4,466	4,582	432	386	401	4,839	3.5
WOOD PULP EXPORTS - TONS (000)..................	3,791	4,458	442	333	365	4.759	7.3
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			September	October	November		
Wood Pulp.............:consumption for:.....	55,047	56,320	4,905	5,012	4,757	58,570	4.0
Waste Paper...........:construction & :.....	15,623	17.236	1,544	1,619	1.554	18.391	6.4
TOTAL..........: WMB grades :.....	70,670	73,556	6,449	6,631	6,310	76.961	4.6
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	85,744	91,434	7.856	7.984	7.401	93,583	2.5
EMPLOYMENT (000)			October	November	December		
Paper and Allied Products..........Total......	677.7	674.3	679.5	682.5	684.3	678.6	0.6
Pulp, Paper and Board Mills........Total.....E	252.3	248.5	244.4	245.0	245.6	246.2	-0.9
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)			October	November	December		
Paper and Allied Products......................	10.82	11.14	11.48	11.49	11.58	11.41	2.5
Pulp, Paper Mills...........................E	13.11	13.58	14.16	14.22	14.31	14.02	3.2
Paperboard Mills............................E	13.60	14.01	14.44	14.48	14.58	14.28	1.9
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1987 Q1	1987 Q2	1987 Q3		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	8.59	8.77	8.06	8.77	8.94	8.96 y	2.2
INDEX OF OUTPUT PER MAN-HOUR (1977=100)...........			October	November	December		
:IN PULP, PAPER :...Production Workers..........	123.6	131.2	141.1	142.0	141.7	139.5	6.3
:AND BOARD MILLS:...All Employees...............	122.1	130.4	139.3	140.3	140.6	137.4	5.4
PAPER AND ALLIED PRODUCTS (Million $)			October	November	December		
Industry Shipments (Dept. of Commerce)*.........	93,414	103,814	10,408	10,451	10.669	118,924	14.6
Pulp, Paper and Paperboard*.................	39,172	43,993	4,550	4,597	4,793	51,569	17.2
Inventories (End of Period) - Total Industry*..	9,589	10,480	10,953	10,995	11,282	11,282	7.7
Pulp, Paper and Paperboard*.................	3,828	4,107	4,110	4,155	4,289	4,289	4.4
			1987 Q1	1987 Q2	1987 Q3		
Sales (Corporations Only)......................	71,465	74,844	19,941	21,553	22,367	85,148	16.3
Earnings (Corporations Only)...................	2,880	3,280	996	1,206	1,433	4.847	56.5
Depreciation (Corporations Only)...............	3,099	3,389	951	942	988	3,341	15.0
Net Worth (Corporations Only)..................	29,694	31,221	32,231	32,843	33,843	33,843	9.1
PRICE INDEXES (Bureau of Labor Stats)1967=100			October	November	December		
Pulp, Paper & Products, ex. Building Grades....	292.0	293.8	319.0	320.1	321.0	312.3	6.3
Wood Pulp......................................	346.6	358.8	445.2	445.9	448.8	424.7	18.4
Waste Paper....................................	148.8	172.8	232.5	225.4	227.7	220.6	27.7
Paper..	303.4	306.3	324.9	327.1	328.3	319.1	4.2
Paperboard........	274.6	271.6	310.8	311.3	312.8	300.9	10.8
PAPER DEMAND (INDEXED: 1977=100)			October	November	December		
Total Paper Production *.......................	122.8	127.9	134.3	134.6	134.8	133.0	4.1
Paper New Supply *............................	128.7	133.6	143.1	143.7	143.0	140.2	5.0
Demand Indicators - (Weighted Average) *.....	142.0	148.8	158.3	158.6	159.4	155.7	4.6
Production of Nondurable Goods *...(21.2%).	125.3	130.6	138.3	139.5	140.3	136.7	4.7
Disposable Income ....*.(23.9%)	128.4	133.6	137.4	136.1	137.1	135.2	1.2
Total Printing and Publishing *...(54.9%).	154.3	162.5	175.2	175.7	176.4	172.0	5.8
Trend Factor				Not Available			
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *.................	114.3	122.0	130.9	131.3	131.8	129.2	5.9
Production for Domestic Use	112.8	118.9	129.3	131.1	128.2	126.5	6.4
Demand Indicators - (Weighted Average) *.....	120.1	122.0	128.0	128.4	128.7	125.9	3.1
Production of Consumer Goods *...(62.06%)	120.5	124.4	129.3	129.5	129.7	127.8	2.7
Production of Equipment *...(5.75%)	146.4	142.8	153.1	152.8	152.4	148.8	4.2
Production of Materials *...(32.19%)	114.5	113.9	121.0	122.0	122.5	118.1	3.7
Trend Factor				Not Available			
NEWSPRINT MARKETS			September	October	November		
Consumption by Publishers - Tons (000).........	12,773	13,158	1,157	1,244	1,248	13,552	3.1
Newspaper Pub. and Printing Empl. Total(000)...	454	461	463	467	470	461	0.1
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (PIB, Inc.)...........	155,545	154,317	14,756	15,878	16,826	155,126	1.2
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	36.798	40,521	4.226	4.524	4.397	47,079	16.9
Inventories (End of Period).	3,267	3,552	3,515	3,744	3,780	3,780	10.9
FIBRE BOX DATA (Fibre Box Association)			October	November	December		
Fibre Box Shipments (Million square feet)	267,451	283,921	27,712	23,314	23,141	297,431	4.8
Container'bd Inventory at Mill & Plant(000Tons).	2,549	2,238	2,352	2,396	2.492	2.492	11.4
RETAIL TRADE (Million $)			October	November	December		
Total Retail Sales *..........................	1,372,853	1,445,568	125,645	121,731	127,495	1,501,239	3.9
Nondurable Goods Stores Sales *...............	859,316	882,505	76,971	77,018	77,084	922,885	4.6
GENERAL ECONOMIC DATA			October	November	December		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	124.2	125.1	132.5	133.1	133.3	129.8	3.7
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1967=100).	300.7	299.8	311.4	311.9	311.7	307.7	2.6
CONSUMER PRICES (ALL ITEMS) (INDEX 1967 = 100)...	322.2	328.4	345.3	345.8	345.7	340.4	3.7
			September	October	November		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	531	586	604.7	608.8	610.1	610.1	2.0
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..			1987 Q2	1987 Q3	1987 Q4		
G.N.P. or Expenditure - Current $..............	4,010	4,235	4,445	4,524	4,598	4,486	5.9
G.N.P. or Expenditure - 1982 $.................	3,607	3,713	3,795	3,836	3,875	3.820	2.9

lb/capita

	Pap&Papbd		Othr		Totl	Popul(mil)
.a -	620	+	18	=	638	239.3
.b -	645	+	17	=	662	241.6
.c -	668	+	17	=	685	243.8

.e - estimated by API

f - Wood Pulp Production excludes def., explo. & scrngs.

g - Adjusted for holiday shutdowns

h - Adjusted to Conform with API Division data

j - Census unpublished data; standard dev. = 6 - 8%

Q - Quarter

R - Revised

y - Full year estim. by U.S. Dept. of Com.

* - Seasonally Adjusted.

3/21/88 A2500-2

Paper
Paperboard
& Wood Pulp

MONTHLY STATISTICAL SUMMARY - Vol. 66 No. 2 FEBRUARY 1988

PAPER AND BOARD PRODUCTION: NEW HIGHS IN 1988

In the early weeks of 1988 the demand for paper and paperboard maintained the momentum achieved in 1987, holding production near its fourth quarter 1987 highs.

January 1988 production was 6.4 million tons, a new high for that month, and only a shade below the highest monthly total ever, posted in August 1987. The seasonally adjusted rate was 75.0 million tons per year, slightly above the average for all of 1987. Current data indicate that production is holding near the January rate.

Paper: Printing and writing papers continued to be strong. Coated paper shipments in January were 11.6% ahead of their year-ago level, just about matching capacity. Uncoated free paper shipments -- the white papers used in books, office copy and computer papers and stationery -- were 7% above their year-earlier level. The strong demand for these papers reflected the high rates of output of commercial printers, along with continued large volumes of paper consumed by businesses generally on copiers and computers.

Both new and unshipped orders for printing papers have remained at high levels. The backlog of unshipped orders has stayed firm at about 1.6 million tons, levelling after a strong rise during the middle months of 1987.

Newsprint and tissue paper production was close to respective year-ago levels, but demand for unbleached kraft papers continued to drift downward. The January, 1988 unbleached kraft paper total was only slightly above its fourth quarter 1987 low, but 6% below its year-ago level. The year-to-year weakness was centered on the bag and sack grades, with the other grades holding up fairly well.

Paperboard: Paperboard production increased even more strongly than paper, with its January, 1988 total 4% above that of a year-ago. The strongest demands continued in the containerboard grades, with total linerboard production up 5.6% and total corrugating medium up 4.4%. Exports of linerboard also showed an impressive gain.

On a seasonally adjusted basis, shipments of corrugated shipping containers were 4.2% above their comparable 1987 level.

Continued on page 2

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Inventories of containerboard at mills and plants showed a strong increase in January, but the 5.8 weeks of supply as of the end of January 1988 were virtually unchanged from their year-ago figure.

Production of the boxboard grades followed a flatter trend. Total folding boxboard production was down by 1.5% from its January 1987 level, while production of the milk carton and food service grades fell 5%. Total bleached paperboard production held close to its year-ago level, as demand was buoyed by non-packaging uses. Recycled paperboard production showed a small gain, largely reflecting higher demand for recycled linerboard and corrugating medium.

FIBROUS MATERIALS

Shipments of chemical paper grade market wood pulp in January, 1988, at 549,000 short tons, were 19% below their December 1987 high, but 11.7% above their year-ago level. Producers' inventories rose 68,000 tons in January, 1988, to 16 days of supply, compared to 20 days of supply at the end of January 1987 and 12 days at the end of that year. Shipments to the domestic market just about equalled their year-ago level, but export shipments, particularly to Japan and the Asian/African countries, rose sharply.

Total 1987 shipments of chemical paper grade market wood pulp were 6,864,000 tons, a new high and 5.3% above the 1986 record. Production also reached a new high -- 6,806,000 tons -- and inventories fell by 58,000 tons, to 12 days of supply. Shipments to the domestic market showed only a 2% gain, but export shipments rose 7.8%. The major increases in exports were in shipments to the Latin American and Asian/African countries.

SALES AND EARNINGS

Total sales of 27 paper and allied products companies reported in the press for the fourth quarter of 1987 rose by 15.3% from their fourth quarter 1986 total while after-tax profits gained 61%. Sales of these companies account for about two-thirds of the total for all paper and allied products companies.

The ratio of after-tax profits to sales in the fourth quarter of 1987 was 6.8%. While a high for the 1980's this figure was in line with the trend of the ratios for these companies in the 1970's.

These fourth quarter totals brought 1987 sales 21.8% above their 1986 level. After-tax profits, which gained 62.2%, were 6.4% of sales, compared to 4.8% in 1986.

The four forest products companies with major pulp, paper and paperboard capacity showed similar sales and earnings trends. While their fourth quarter gains from year-ago levels were somewhat different from those of the paper and allied products companies -- a 24.4%

Continued on page 11

PAPER AND PAPERBOARD STATISTICS

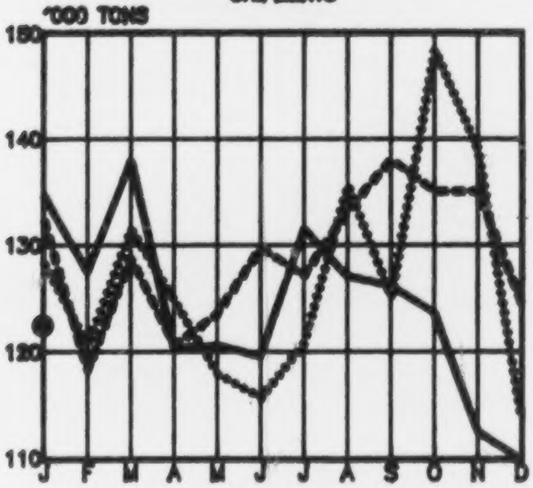
PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

	YEAR		OCTOBER	NOVEMBER	DECEMBER	JANUARY	Annual Rate	% Change From same Period
	1986	1987	1987 (P)	1987 (P)	1987 (P)	1988 (P)	Y-T-D 1988	Last Year
PAPER								
Newsprint - Production	5,630	5,842	508	482	499	499	5,983	1.7
- Shipments	5,638	5,854	502	484	508	482	5.783	2.4
Printing & Writing Sum (R)	19.625	20.750	1,813	1,723	1,784	1.804	21,653	6.6
Groundwood Paper - Shipments	1,540	1,491	124	112	110	122	1,462	-9.4
- New Orders	1,553	1,548	121	113	128	127	1.519	-9.5
Unfilled Orders	124	179	150	153	179	175	175	54.1
Coated Papers - Shipments	6.263	6.869	603	587	592	634	7.604	11.6
- New Orders	6.334	7,107	610	563	615	623	7,475	12.2
Unfilled Orders	469	739	729	693	739	679	679	43.9
Unctd Free Sheet - Shipments	10,410	10,983	967	907	960	929	11,142	6.1
- New Orders	10,485	11,195	1,029	919	979	929	11,151	8.9
- Unfilled Orders	587	778	726	738	778	761	761	43.1
Thin Papers - Shipments (R)	271	251	21	20	23	20	235	-9.9
Cotton Fiber Paper - Shipments	152	161	14	13	12	13	157	-1.1
Bleached Bristols - Production	990	995	85	84	87	88	1.052	9.8
Tissue Paper - Production	5.095	5,300	455	442	449	436	5,228	-3.6
Total Packaging & Other Paper	5,117	5,068	435	419	432	436	5.227	-5.3
Unbl. Kraft Paper - Shipments	3,303	3,075	259	243	261	262	3,149	-6.3
Other Paper - Production	1.814	1,993	176	176	171	173	2.078	-3.9
TOTAL PAPER-Production-Unadj. (R)	35.466	36,959	3,211	3,066	3,164	3,174	38,091	3.0
-Production-S.A.			3.095	3.098	3.101	3.104	37,245	3.0
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	27.336	28,900	2.405	2,330	2,474	2,507	30,084	4.2
Total Unbl. Kraft Paperboard	17,689	18,888	1,566	1,527	1,642	1,638	19.653	6.2
Unbl. Kraft Linerboard (1)	16.402	17,608	1,485	1,443	1.531	1,528	18,332	5.2
Production for Export	2,246	2,268	176	139	217	205	2,464	13.5
Other Unbl. Kraft Paperboard	1,287	1,281	81	84	111	110	1,322	21.2
Semichemical Paperboard	5,376	5,606	474	458	450	488	5,860	1.3
Production for Export	213	186	13	11	12	10	118	-37.8
Solid Bleached Paperboard	4,271	4,406	365	345	382	381	4,571	-0.3
Production for Export	569	564	43	46	47	45	544	-5.1
Recycled Paperboard	8.083	8,594	772	739	691	744	8.922	3.8
Production for Export	70	60	5	9	6	6	70	177.8
TOTAL PAPERBOARD-Prod.-Unadj.	35,419	37,493	3,177	3,069	3,165	3,251	39,006	4.1
- Containerboard Prod.(Dom. Use)	21,426	23,026	1,970	1,938	1.947	2,000	23.995	5.2
- Boxboard Prod.(Dom. Use) (2)	5,903	6,178	538	505	515	537	6,443	-2.9
- All Other P'bd Prod.(D.U.) (2)	4,992	5,210	433	420	421	448	5.373	5.8
- Total Paperbd Prod. for Export	3,097	3,079	236	206	282	266	3,195	8.0
TOTAL PAPERBOARD PROD.- S.A.			3,159	3,169	3,179	3,142	37.710	4.1
TOTAL PAPER AND PAPERBOARD Production - Unadj. (R)	70,885	74,452	6.390	6.146	6.342	6.425	77,098	3.2
Production - S.A.			6,261	6,276	6,292	6,246	74,955	3.2

(1) Includes all exports of kraft paperboard. R - Revised P - Preliminary S.A. - Seasonally Adjusted
(2) Data for unbl. kraft folding boxboard incl. in All Other P'bd.

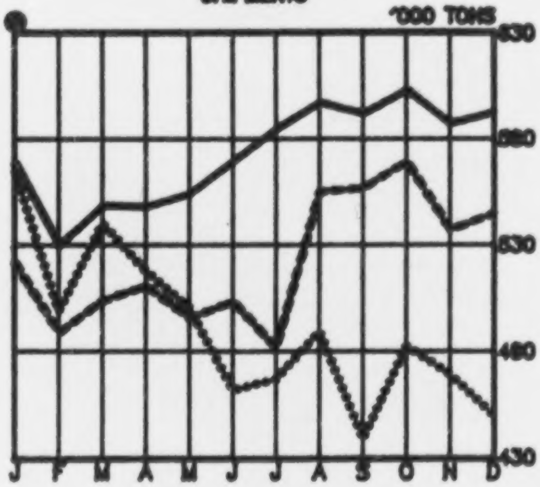
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



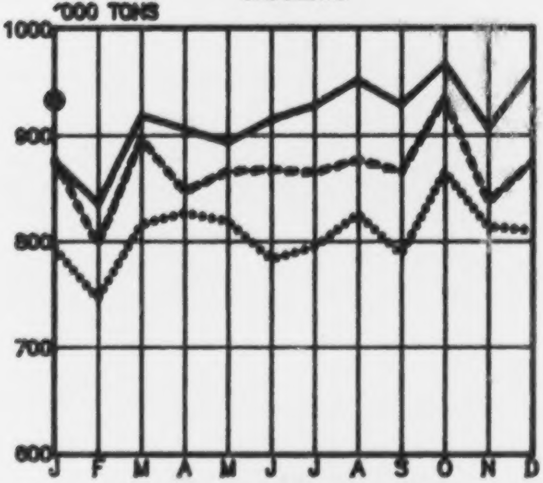
COATED PAPER

SHIPMENTS



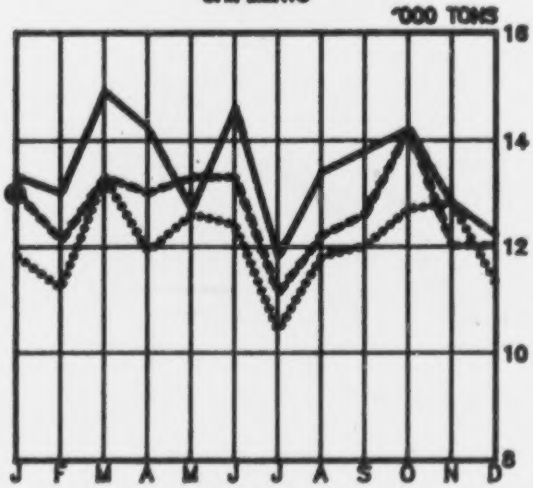
UNCOATED FREE SHEET PAPERS

SHIPMENTS



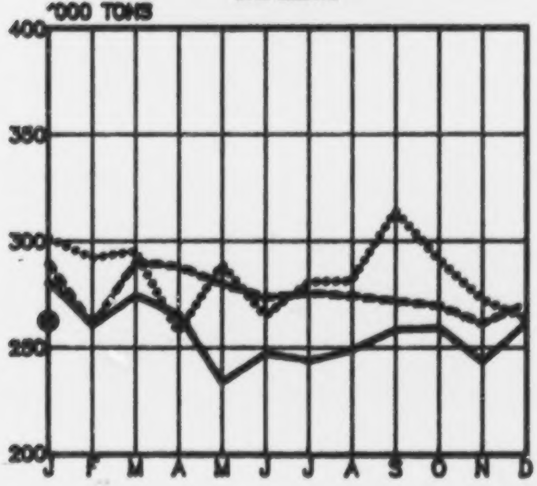
COTTON FIBER PAPER

SHIPMENTS



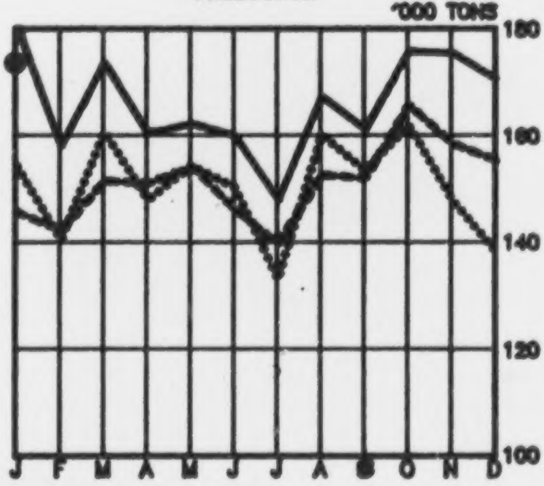
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



● = JAN. '88   1985 ••••••••   1986 ▬ ▬ ▬   1987 ▬▬▬▬

WOOD PULP STATISTICS
(Thousands of Tons)

	YEAR 1985	YEAR 1986	SEPTEMBER 1987	OCTOBER 1987	NOVEMBER 1987	DECEMBER 1987	Annual Rate Y T D 1987	% Change from Same Period Last Year
TOTAL WOOD PULP					R	P		
Total Wood Pulp - Production	54,147	57,017	4.925	5,066	4,012	5,160	59,582	4.5
- Imports	4,466	4,582	432	386	401	415	4.850	5.9
- Exports	3,791	4,458	442	333	365	527	4,889	9.7
- New Supply	54,821	57.140	4.915	5.119	4.048	5.048	59.543	4.2
Dissolving Pulp - Production	1,174	1.258	112	88	137	109	1,312	4.3
- Imports	175	255	19	19	9	9	198	-22.4
- Exports	631	711	65	53	61	72	752	5.7
- New Supply	718	801	66	54	85	45	757	-5.5
Paper Grades Chemical Pulp - Production	43,696	46,081	3,947	4,110	3,851	4,227	48,310	4.8
- Imports	4,104	4.220	391	345	376	378	4,456	5.6
- Exports	3,131	3,689	376	278	301	449	4,111	11.5
- New Supply	44,668	46.612	3.963	4.176	3,925	4.156	48.655	4.4
Groundwood and Thermo-Mech. - Production	5,251	5,407	506	501	472	484	5,714	4.1
- Imports	187	108	22	23	17	20	197	83.1
- Exports	29	59	1	2	3	5	26	-54.9
- New Supply	5.409	5.536	527	523	486	507	5.885	6.3
Semi-Chemical - Production	4.027	4,191	359	367	352	339	4,246	1.3
- Imports								
- Exports								
- New Supply	4,027	4.191	359	367	352	339	4.246	1.3
MARKET WOOD PULP								
Total Market Wood Pulp - Production	6.800	7,583	680	670	670	723	8.128	7.2
- Imports	2,791	3.122	292	267	260	293	3,235	3.6
- Exports	3,784	4.470	469	383	317	528	4.816	7.7
- New Supply	5,807	6,235	503	554	613	488	6.547	5.0
Dissolving Pulp - Production	1,172	1,251	112	88	137	109	1,308	4.5
- Imports	174	212	15	14	8	8	154	-27.4
- Exports	667	718	88	56	47	88	775	8.0
- New Supply	679	745	40	46	99	29	687	-7.8
Paper Grades Chemical Pulp - Production	5.613	6.315	566	581	532	613	6,805	7.0
- Imports	2,531	2,831	269	240	246	272	[illegible]	5.1
- Exports	3,117	3,752	381	327	270	440	[illegible]	7.7
- New Supply	5,028	5,394	454	494	508	444	5.740	6.4
Groundwood Pulp and All Other - Production	15	17	1	1	1	1	14	-14.6
- Imports	86	79	8	13	6	14	106	33.7
- Exports	1	0	0	0	(0)	(0)	(0)	0.0
- New Supply	100	96	9	14	7	15	120	25.5

SOURCES Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

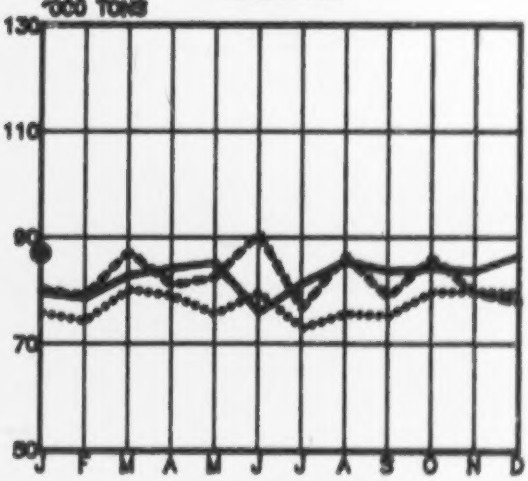
FIBROUS RAW MATERIALS
(Thousands of tons)

CONSUMPTION AT PAPER & PAPERBOARD MILLS					R	P		
Total	69,781	73,556	6.449	6.630	6.310	6.544	77,092	4.8
Total Wood Pulp	54,047	56,320	4,905	5,012	4,756	5,055	58,744	4.3
Waste Paper	15,734	17.236	1,544	1,619	1,553	1,489	18.348	6.5
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers Own-Use Inventories	165	174	167	161	162	170	170	-2.6
Producers' Market Inventories	485	284	273	267	290	224	224	-21.0
Consumers Purchased Inventories	534	496	561	531	499	529	529	6.7
Waste Paper at Paper & Bd. Mills	976	838	810	838	817	887	887	5.9
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	30	16	14	14	15	12	12	-25.0

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons

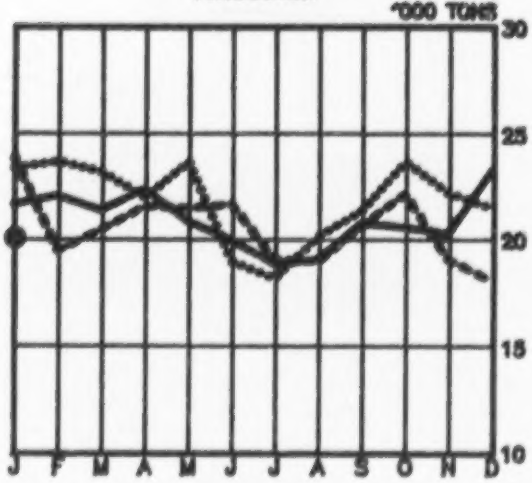
BLEACHED BRISTOLS

PRODUCTION



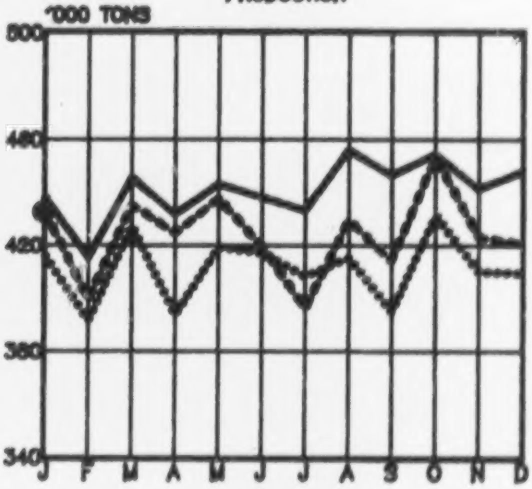
THIN PAPER

PRODUCTION



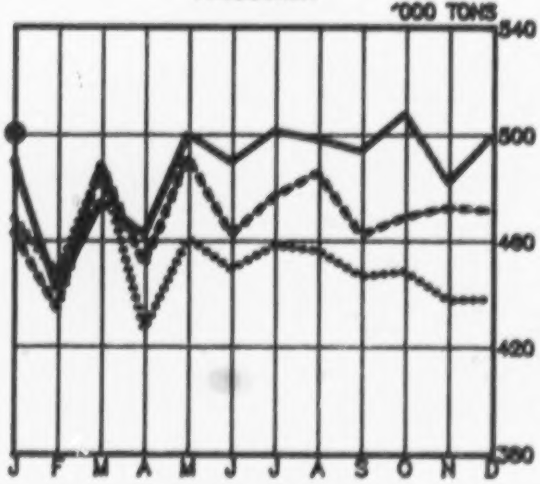
TISSUE PAPER

PRODUCTION



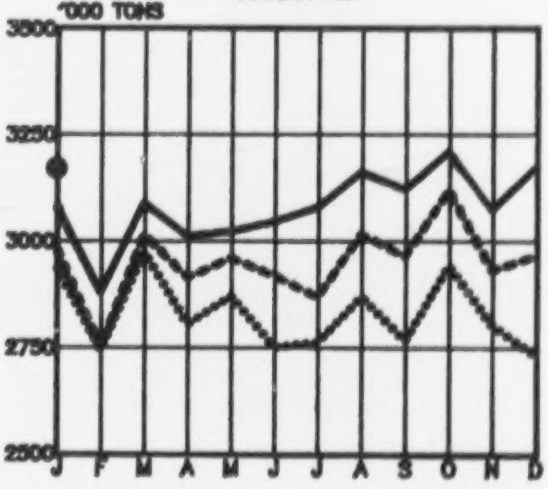
NEWSPRINT

PRODUCTION



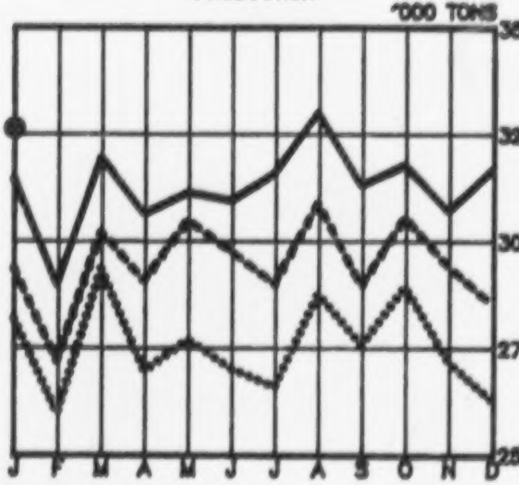
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



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FIBROUS RAW MATERIALS

(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1985	YEAR 1986	SEPTEMBER 1987	OCTOBER 1987	NOVEMBER 1987	DECEMBER 1987	Annual Rate Y-T-D 1987	% Change From Same Period Last Year
PULPWOOD									
Total U.S.	- Total Receipts	85,499	90,943	8,081	8,436	7,227	8,003	94,312	3.7
	- Total Consumpt	85,744	91,436	7,856	7,984	7,401	8,162	93,946	2.7
	- Residues *	30,464	32,755	2,848	3,029	2,649	2,782	32,899	0.4
	- Inventories	5,046	4,794	5,044	5,301	5,211	5,096	5,096	6.3
So. Atlantic	- Total Receipts	27,589	29,513	2,826	2,814	2,462	2,668	31,147	5.5
	- Total Consumpt	27,815	29,425	2,773	2,685	2,466	2,692	30,915	5.1
	- Residues *	7,970	9,343	912	915	820	820	9,553	2.2
	- Inventories	1,117	994	1,114	1,256	1,240	1,211	1,211	21.8
Northeast	- Total Receipts	7,430	7,277	565	592	513	598	6,941	-4.6
	- Total Consumpt	7,394	7,227	539	599	559	578	7,109	-1.6
	- Residues *	1,539	1,419	129	134	126	131	1,543	8.7
	- Inventories	544	484	514	542	587	594	594	22.7
South Central	- Total Receipts	29,786	31,790	2,813	2,975	2,564	2,960	33,650	5.9
	- Total Consumpt	29,914	32,113	2,698	2,787	2,582	2,996	33,059	2.9
	- Residues *	9,207	9,792	819	867	771	884	9,992	2.0
	- Inventories	1,198	926	1,180	1,363	1,317	1,294	1,294	39.7
North Central	- Total Receipts	6,430	6,571	539	632	487	573	6,552	-0.3
	- Total Consumpt	6,296	6,730	536	610	563	560	6,764	0.5
	- Residues *	1,290	1,042	109	165	117	152	1,263	21.2
	- Inventories	884	892	857	883	815	830	830	-7.0
West	- Total Receipts	14,264	15,792	1,338	1,423	1,201	1,204	16,022	1.5
	- Total Consumpt	14,325	15,939	1,310	1,303	1,231	1,336	16,099	1.0
	- Residues *	10,458	11,159	879	948	815	795	10,548	-5.5
	- Inventories	1,303	1,498	1,379	1,257	1,324	1,167	1,167	-22.1

* - Consumption of Residues in Cord Equivalents.   SOURCE: American Pulpwood Association   26-Feb-88

UNITED STATES TRADE WITH CANADA

IMPORTS FROM CANADA

	YEAR 1986 Tons	YEAR 1986 ($000's)	NOVEMBER 1987 Tons	NOVEMBER 1987 ($000)	DECEMBER 1987 Tons	DECEMBER 1987 ($000)	Annual Rate Y-T-D 1987 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	59,490	4,224	4,867	655	2,140	454	15,382	-74.1
Pulpwood chips	723,257	19,488	60,798	2,197	66,318	1,707	487,147	-32.6
Wood Pulp, Total	3,949,414	1,422,180	368,904	166,436	354,274	161,306	4,320,114	9.4
Waste Fibrous Materials, Total	157,870	27,196	17,851	3,745	17,531	3,461	186,286	18.0
Paper, Board & Products, Total	9,963,486	4,467,761	891,348	447,571	834,109	419,911	10,588,047	6.3
Paper, Paperboard, Wet Machine Bd. & Constr. Paper & Bd.	9,842,154	4,268,820	877,994	424,091	822,966	401,638	10,441,472	6.1
Paper, Paperboard & Products	9,715,710	4,393,592	875,616	442,813	821,312	415,845	10,365,412	6.7
Paper & Paperboard, Only	9,594,370	4,194,651	862,262	419,333	810,169	397,564	10,218,038	6.5
Paper, Total	9,367,380	4,130,464	842,290	412,520	786,274	389,474	9,961,198	6.3
Newsprint	8,269,333	3,556,983	728,265	347,455	669,259	323,506	8,588,309	3.9
Printing, Writing & Rel. Pap.	868,620	457,685	94,374	53,462	94,500	52,970	1,111,641	28.0
Pack. & Ind. Conv. Paper	182,481	81,492	15,782	8,317	17,820	9,012	215,514	18.1
Special Industrial Paper	4,766	7,893	510	800	491	943	5,478	14.9
Tissue Paper	42,173	26,411	3,358	2,415	4,204	3,042	40,257	-4.5
Paperboard, Total	226,990	64,187	19,972	6,805	23,895	8,090	257,639	13.5
Convtd Paper&Paperbd Products	121,332	198,941	13,354	23,480	11,143	18,281	146,575	20.8
Wet Machine Board	2,332	1,570	296	198	180	110	2,890	23.9
Construction Paper & Board	245,444	72,599	15,436	4,561	12,617	3,969	219,744	-10.5

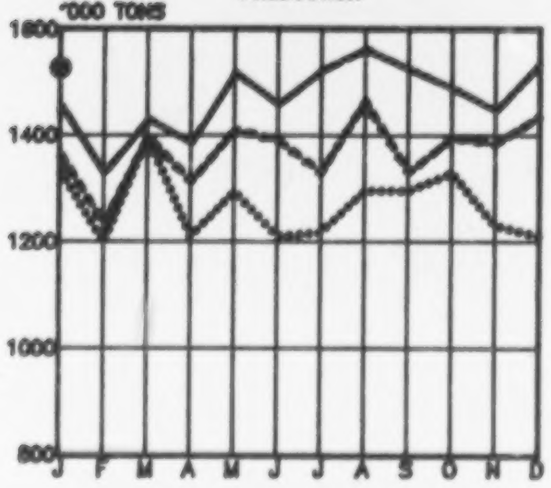
EXPORTS TO CANADA

Pulpwood, Roundwood (in cords of 128 cubic feet)	39,191	2,201	0	0	1,959	88	12,617	-67.8
Pulpwood chips	262,844	13,577	2,218	174	2,227	175	61,575	-76.6
Wood Pulp, Total	262,353	76,591	14,987	6,372	11,710	5,125	198,921	-24.2
Cotton Pulp & Other Pulp	33,629	10,450	3,872	1,112	8,191	1,962	58,280	73.3
Waste Paper	226,215	23,254	23,214	2,564	31,300	3,620	286,890	26.8
Paper, Board & Products, Total	725,421	464,684	83,544	53,988	77,400	51,941	957,434	32.0
Paper, Paperboard, Wet Machine Bd. & Constr. Paper & Bd.	570,635	315,710	66,282	37,616	59,189	34,532	712,494	24.9
Paper, Paperboard & Products	695,561	452,129	80,665	52,788	75,068	50,744	920,755	32.4
Paper & Paperboard, Only	540,775	303,154	63,403	36,416	56,777	33,335	675,815	25.0
Paper, Total	278,911	200,160	26,932	23,844	24,665	23,114	297,505	6.7
Newsprint	6,040	4,457	197	197	274	260	4,525	-25.1
Printing, Writing & Rel. Pap.	121,167	99,400	15,270	12,719	13,307	12,464	151,716	25.2
Pack. & Ind. Conv. Paper	25,614	16,467	1,902	1,570	2,433	1,434	25,826	0.8
Special Industrial Paper	122,874	75,109	8,962	8,767	8,370	8,450	110,107	-10.4
Tissue Paper	3,217	4,577	592	591	281	498	5,411	68.2
Paperboard, Total	261,864	102,986	36,472	12,572	32,112	10,221	378,230	44.4
Convtd Paper&Paperbd Products	154,786	148,975	17,262	16,372	18,291	17,409	244,940	58.2
Wet Machine Board	10,728	4,638	797	396	500	241	10,212	-4.8
Construction Paper & Board	19,132	7,918	2,082	804	1,912	956	26,467	38.3

SOURCE: Bureau of Census, Department of Commerce .   E - Estimate of tonnage based on square foot data   19-Feb-88

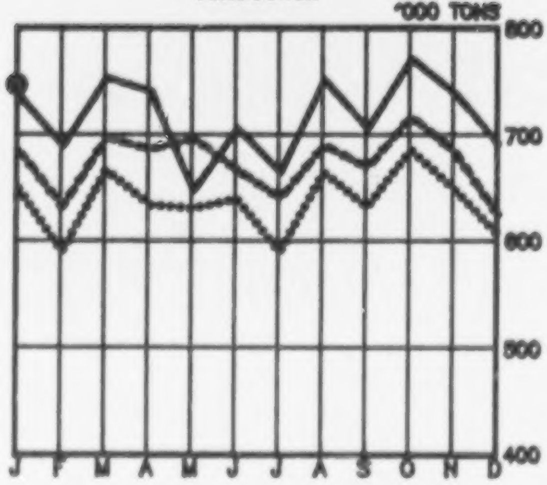
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



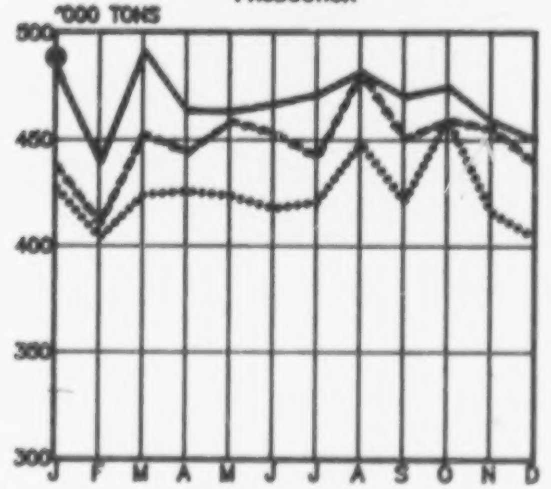
RECYCLED PAPERBOARD

PRODUCTION



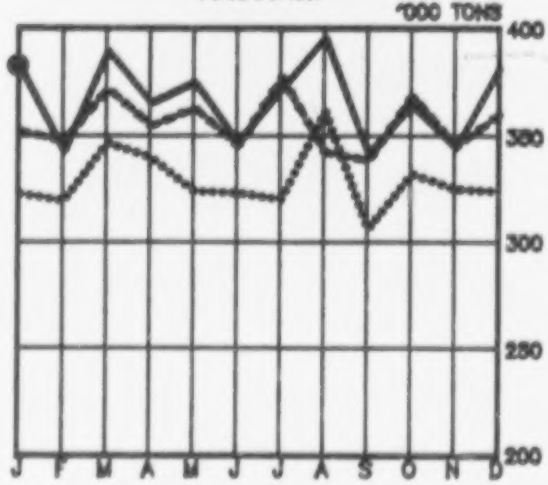
SEMICHEMICAL PAPERBOARD

PRODUCTION



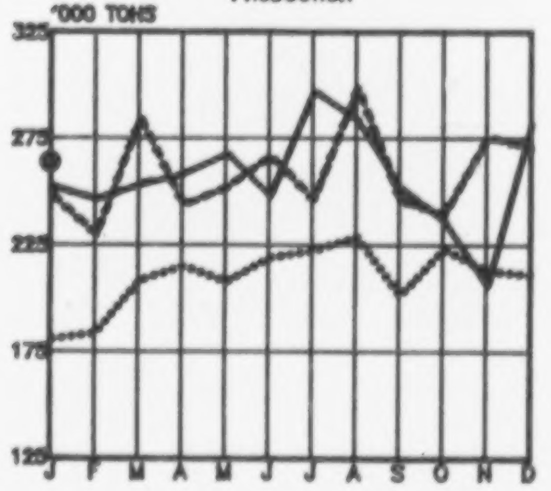
SOLID BLEACHED PAPERBOARD

PRODUCTION



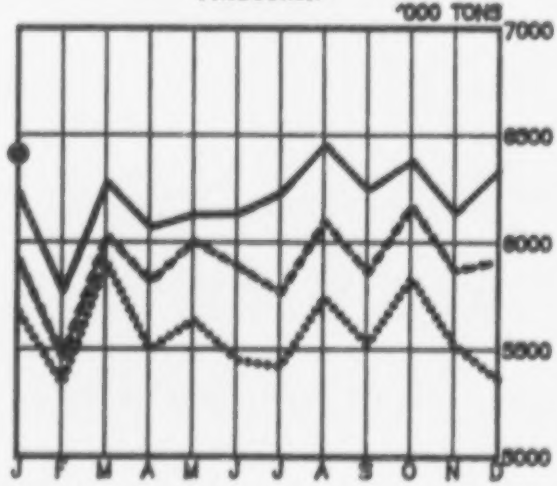
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



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I M P O R T S

	YEAR 1986 Tons	YEAR 1986 $000	1987 NOVEMBER Tons	1987 NOVEMBER $000	1987 DECEMBER Tons	1987 DECEMBER $000	(1) Annual Rate YTD 1987 Tons	% Change from same Period Last Year
* * *								
Pulpwood Roundwood (cords)	60,850	4,563	4,067	655	2,140	454	15,432	-74.64
Pulpwood Chips	724,020	19,642	63,276	2,244	66,300	1,720	525,629	-27.40
Total All Imports	16,722,494	7,674,736	1,594,937	822,906	1,461,792	775,851	17,017,151	6.55
Wood Pulp Total	4,501,760	1,601,370	401,220	101,055	414,551	108,932	4,050,230	5.06
Waste Paper	99,313	11,102	13,442	2,333	13,230	2,130	127,390	28.28
Other Fibrous Materials	104,969	26,326	5,629	2,093	5,529	2,074	76,491	-27.13
Paper Board & Products Total	11,936,452	6,035,050	1,134,630	636,625	1,020,473	582,715	12,763,024	6.92
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	11,546,545	5,247,129	1,101,717	556,964	997,018	508,068	12,361,465	7.06
Paper Ppbd & Prds ex Cnst&WMB	11,596,000	5,920,457	1,112,737	629,176	1,009,847	576,446	12,453,577	7.39
Paper & Paperboard Only	11,206,901	5,139,735	1,079,816	549,514	970,392	502,591	12,052,017	7.54
Paper Total	10,925,453	5,051,917	1,050,850	537,009	949,750	492,277	11,691,106	7.01
Newsprint	8,507,507	3,602,351	776,615	360,142	710,046	341,072	8,906,540	4.65
Printing & Writing	2,029,302	1,179,002	245,070	140,700	211,377	130,963	2,349,436	15.78
Uncoated Groundwood	1,020,231	531,149	126,403	60,173	104,753	55,937	1,269,774	23.49
Coated Print.& Impreg. Pap.	501,302	359,495	65,023	47,414	62,135	45,647	613,751	22.41
Uncoated Free Sheet	453,638	254,627	49,056	30,210	40,097	26,291	417,395	-7.99
Uncoated Book	223,798	126,270	21,217	12,870	11,490	7,537	210,624	-5.89
Writing and Similar Paper	229,841	128,349	27,830	17,331	29,407	18,754	206,771	-10.04
Thin (except Cigarette)	45,351	33,831	3,574	2,056	3,529	3,018	47,567	4.89
Bristols	700	700	143	120	63	70	950	35.76
Total Pkg & Other Paper	242,571	146,212	22,373	15,623	23,614	16,479	297,082	22.47
Unbleached Kraft Paper	115,000	42,650	11,109	4,983	11,912	5,370	168,420	46.44
Other Pkg. & Indust. Paper	127,562	103,562	11,263	10,640	11,702	11,109	128,662	0.86
Tissue	66,073	43,552	6,704	5,263	4,722	3,763	58,121	-12.04
Paperboard, Total	281,448	87,818	28,966	11,705	28,634	10,314	360,831	28.28
Test or Containerboard	78,063	25,596	6,387	2,665	7,676	3,154	80,981	3.74
Semi-Chemical Corrugating	99,062	22,092	10,453	2,947	13,591	3,891	128,636	29.85
Other Paperboard	104,324	40,130	12,126	6,092	7,367	3,269	151,214	44.95
Convtd Paper&Paperbd Products	389,907	788,721	32,921	79,662	31,456	73,855	401,559	2.99
Paper Products, Total	361,517	730,257	30,060	74,066	29,135	69,520	368,179	1.84
Paperboard Products, Total	28,390	58,464	2,861	5,596	2,321	4,334	33,380	17.58
Wet machine Board	3,235	2,925	359	254	203	147	3,463	7.04
Construction Paper & Board	336,409	104,060	21,543	7,196	10,423	6,122	305,985	-9.04
Notes								
Other: No Weight Avail. ($000)		212,338		13,558		15,616	201,453	-5.13
Total Imports Incl. Other($000)		7,887,074		836,464		791,466	9,245,053	17.22

E X P O R T S

Pulpwood, Roundwood (cords)	42,190	2,373	0	0	3,639	147	16,170	-61.65
Pulpwood Chips	2,420,333	170,022	232,401	17,517	272,691	20,051	2,546,467	4.06
Total All Exports	13,051,152	4,685,447	1,214,875	490,906	1,459,414	601,457	14,797,437	13.38
Wood Pulp,Total	4,450,312	1,662,466	364,533	174,901	526,543	256,360	4,889,331	9.67
Cotton Pulp and Other Pulp	157,452	72,500	12,037	7,903	19,365	9,401	182,001	15.59
Waste and Old Paper	3,748,711	411,076	428,467	52,699	444,888	54,207	4,422,139	17.96
Paper, Board & Products,Total	4,686,677	2,539,405	409,038	255,403	468,618	281,489	5,303,966	13.17
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	4,160,179	1,853,616	340,399	183,973	405,047	210,498	4,578,770	10.06
Paper, Ppbd & Prod ex Cnst&WMB	4,592,635	2,487,507	397,917	249,697	460,407	276,800	5,196,613	13.15
Paper & Paperboard, Only	4,066,137	1,801,718	337,270	178,266	397,636	205,817	4,471,418	9.97
Paper, Total	883,689	642,597	77,100	69,540	84,282	73,925	921,397	4.27
Newsprint	392,228	194,549	27,370	19,175	29,972	19,942	339,773	-13.37
Printing & Writing	190,656	185,271	23,018	22,337	22,629	22,604	249,092	30.65
Uncoated Groundwood	40,847	28,947	5,402	3,702	4,747	3,614	55,841	36.71
Clay Coated Paper	78,248	57,856	10,113	7,571	9,313	6,907	100,039	28.07
Uncoated Free Sheet	50,140	71,354	5,712	8,859	6,071	9,791	67,050	35.34
Other Printing & Writing	21,420	27,114	1,792	2,126	1,699	2,372	24,554	14.63
Total Pkg. & Other Paper	284,048	241,426	23,995	25,723	27,988	28,380	294,201	3.57
Unbleached Kraft	78,248	32,009	7,651	3,287	10,304	4,786	89,194	13.99
Other Pkg. & Indust. Paper	205,800	209,417	16,344	22,436	17,684	23,594	205,007	-0.39
Tissue	16,758	21,351	2,725	2,313	3,693	2,918	38,332	128.74
Paperboard, Total	3,182,448	1,159,121	260,170	108,718	313,354	131,893	3,550,021	11.55
Solid Wood Pulp	2,982,973	1,074,964	230,961	98,344	283,557	122,381	3,218,952	7.91
Total Linerboard	2,177,420	635,749	162,610	60,743	203,931	74,603	2,296,633	5.47
Bleached Kraft Linerboard	133,787	51,448	15,265	7,064	16,480	6,856	102,266	-23.56
Unbleached Kraft Linerbd	2,043,633	584,301	147,345	53,679	187,451	67,747	2,194,367	7.38
Other Unbleached Kraft	157,614	57,548	17,747	6,564	14,023	5,314	210,566	33.60
Other Bleached Kraft	571,298	359,954	46,179	29,342	62,145	41,161	647,003	13.39
Semi-Chemical Corrugating	76,641	21,713	4,426	1,695	3,458	1,304	63,951	-16.56
Recycled Paperboard	199,476	84,157	29,209	10,374	29,797	9,512	331,069	65.97
Convtd Paper&Paperbd Products	526,497	685,789	60,639	71,431	62,771	70,991	725,196	37.74
Paper Products, Total	240,171	456,429	24,131	46,190	27,757	45,465	301,202	25.41
Paperboard Products, Total	286,327	229,360	36,509	25,240	35,014	25,526	423,994	48.08
Wet Machine Board	10,893	7,259	1,000	510	870	432	17,320	-0.20
Construction Paper & Board E	75,149	44,639	10,833	5,197	7,333	4,248	90,824	19.79
Notes								
Other. No Weight Avail. ($000)		7,290		806		676	8,037	10.13
Total Exports Incl. Other($000)		4,692,745		491,712		602,133	6,015,855	28.19

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description.

PRODUCER PRICE INDEXES

1967 = 100

	1986	1987	OCTOBER 1987	NOVEMBER 1987	DECEMBER 1987	JANUARY 1988	Annual Rate Y-T-D 1987	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	293.9	312.3	319.0	320.1	321.0	324.8	324.8	7.1
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	295.9	313.9	320.5	321.7	322.6	326.3	326.3	6.9
Total Wood Pulp	358.7	423.2	445.2	445.9	448.8	457.1	457.1	15.1
Total Paper	306.3	319.2	324.9	327.1	328.3	338.0	338.0	7.2
Total Paper, exc. Newsprint	300.4	307.5	314.1	316.2	318.3	328.6	328.6	6.3
Newsprint	326.1	354.5	368.4	369.9	368.8	396.6	396.6	16.5
Total Paperboard	271.6	301.0	310.8	311.3	312.8	312.8	312.8	7.7
Total Paper and Paperboard *	295.4	313.5	320.5	322.1	323.4	330.1	330.1	7.4
Converted Products	289.3	303.3	308.1	309.4	309.7	311.6	311.6	5.3
Waste Paper	172.8	220.3	232.5	225.4	227.7	233.9	233.9	20.2
All Commodities	299.8	308.6	311.4	311.9	311.7	312.9	312.9	4.0
Industrial Commodities	312.1	320.1	324.9	325.4	325.3	327.9	327.9	4.6

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

Paper and Allied Products Companies

Sales and Earnings

	Sales			Net Profit After Taxes			Earnings/Sales	
	1987	1986	Change 87/86	1987	1986	Change 87/86	1987	1986
	(Million Dollars)		%	(Million Dollars)		%	%	%
27 Paper and Allied Products Companies								
First Quarter	13,598	10,970	24.0	747.0	416.8	79.2	5.5	3.8
Second Quarter	14,721	11,722	25.6	946.6	605.1	56.4	6.4	5.2
Third Quarter	15,223	12,325	23.5	1,025.0	649.8	57.7	6.7	5.3
Fourth Quarter	15,694	13,609	15.3	1,062.7	659.9	61.0	6.8	4.8
Full Year	59,236	48,627	21.8	3,781	2,332	62.2	6.4	4.8
4 Forest Products Companies								
First Quarter	3,996	3,307	20.8	204.9	80.8	153.5	5.1	2.4
Second Quarter	4,459	3,897	14.4	279.2	182.5	52.9	6.3	4.7
Third Quarter	4,889	3,792	28.9	293.8	185.7	58.2	6.0	4.9
Fourth Quarter	4,597	3,696	24.4	279.9	185.7	50.7	6.1	5.0
Full Year	17,941	14,691	22.1	1,058	634.8	66.6	5.9	4.3

gain in sales and a 50.7% gain in earnings. Their 1987 totals showed a 22.1% gain in sales and a 66.6% gain in earnings. The 1987 ratio of total after-tax profits to total sales was 5.9%, compared to 4.3% in 1986.

The lower table on page 10 presents 1986-1987 quarterly and annual totals of the sales and after-profits data for the paper and forest products companies. The table also presents the percentage changes from year-ago levels and the sales margins for each of the time periods shown.

HISTORICAL PROFILE OF KEY PAPER INDUSTRY DATA SERIES

The table on page 12 of this report provides historical background for key paper industry-related data series that regularly appear in the yellow Industry Data Sheet. More specifically, the table includes data for 1977 and 1982 through 1987.

Total production of paper and paperboard (shown on the top line of the table) grew at an average annual rate of 2.8% between 1977 and 1987, while consumption of paper and paperboard (production plus imports less exports) increased an average of 3.0% a year over the same ten-year period. The slightly faster growth performance recorded by consumption reflected an increase in imports relative to exports, particularly during the years 1983-85. Imports advanced less rapidly than exports in 1986 and 1987. Both production and consumption of paper and paperboard outpaced real GNP, which grew at an average yearly rate of 2.6% between 1977 and 1987.

Operating rates for the paper grades averaged 91.6% of capacity between 1982 and 1987, which nearly matched the 91.4% average yearly operating rate posted by paperboard. However, operating rates for paperboard have been more volatile than those for the paper. For instance, the recent low for paperboard operating rates was 82.1% in 1982; the low for paper, which also occurred in 1982, was 87.2%. The recent peak annual operating rate for paperboard capacity was 96.9% in 1987; the recent peak for paper was 93.9% and also came in 1987.

The second tier of the table reports market pulp production, which grew at an average annual rate of 5.4% during the last ten years, much faster than total wood pulp production, which recorded an average growth rate of 2.5% a year. The industry's consumption of waste paper rose at a 2.9% average yearly rate during the past decade.

Other important information included in the table on page 12 include demand indicators for paper and board, and data series pertaining to employment, productivity, sales, earnings, newsprint, fibre boxes, and national economic trends.

Continued on page 12

PAPER AND PAPERBOARD -- Tons (000)	1977	1982	1983	1984	1985	1986	1987
Total Production (API).......: excluding :... :construction:...	56,656	59,300	64,964	68,468	67,030	70,885	74,439
Imports (including Products).: and wet :..E	7,294	7,603	8,509	10,576	11,106	11,597	12,454
Exports (including Products).: machine :..E	3,171	4,187	4,502	4,310	4,003	4,593	5,197
Apparent Consumption.........: grades :...	60,779	62,716	68,971	74,734	74,133	77,889	81,696
Paper Production % Tonnage Capacity...........	92.9	87.2	91.9	92.8	90.5	93.3	93.9
Paperboard Production % Tonnage Capacity......	90.0	82.1	90.8	94.6	90.0	93.8	96.9
IMPORTS.....:Including Construction and :...	7,432	8,024	8,986	11,075	11,521	11,936	12,763
EXPORTS.....: WMB Grades (excl. HPB) :...	3,230	4,246	4,569	4,387	4,077	4,687	5,304
MARKET WOOD PULP PRODUCTION - Tons (000)........	4,820	5,732	6,526	6,899	6,800	7,583	8,128
TOTAL WOOD PULP PRODUCTION - Tons (000).........	46,648	48,706	52,454	55,471	54,147	57,017	59,582
WOOD PULP IMPORTS - TONS (000)..................	3,864	3,656	4,093	4,490	4,466	4,582	4,850
WOOD PULP EXPORTS - TONS (000)..................	2,640	3,395	3,644	3,594	3,791	4,458	4,889
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :							
Wood Pulp.............:consumption for:.....	45,805	48,081	51,422	54,994	55,047	56,320	58,774
Waste Paper...........:construction & :.....	14,058	13,565	14,896	15,926	15,623	17,935	18,667
TOTAL..........: WMB grades :.....							
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	73,970	76,257	85,442	87,646	85,744	91,434	93,946
EMPLOYMENT (000)							
Paper and Allied Products..........Total......	691.6	662.4	661.2	680.9	677.7	674.3	678.6
Pulp, Paper and Board Mills........Total.....E	272.3	258.9	256.2	257.2	252.3	248.5	246.2
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)							
Paper and Allied Products......................	5.96	9.32	9.93	10.41	10.82	11.14	11.4
Pulp, Paper Mills...........................E	6.75	10.87	11.70	12.43	13.11	13.58	14.0
Paperboard Mills............................E	6.94	11.11	12.11	12.99	13.60	14.01	14.3
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS (Rept. by US Dept. of Com., Ann. Rates, Bill.$)	3.48	5.60	5.92	7.21	8.59	8.77	8.96-Y
INDEX OF OUTPUT PER MAN-HOUR (1977=100)..........							
:IN PULP, PAPER :...Production Workers..........	100.0	113.7	121.4	124.0	123.6	131.2	139.5
:AND BOARD MILLS:...All Employees...............	100.0	111.3	119.6	121.9	122.1	130.4	137.4
PAPER AND ALLIED PRODUCTS (Million $)							
Industry Shipments (Dept. of Commerce).........	52,086	79,896	84,589	94,813	93,413	103,834	118,882
Pulp, Paper and Paperboard..................	22,303	33,636	36,071	41,384	39,173	46,990	51,547
Inventories (End of Period) - Total Industry...	5,642	8,969	9,263	10,128	9,908	10,430	11,282
Pulp, Paper and Paperboard..................	2,099	3,503	3,440	3,822	3,828	4,105	4,289
Sales (Corporations Only)......................	45,750	60,293	65,008	71,891	71,465	7,484	85,148 *
Earnings (Corporations Only)...................	2,367	1,460	2,327	3,015	2,880	3,820	4,847 *
Depreciation (Corporations Only)...............	1,663	2,379	2,607	2,798	3,099	3,389	3,841 *
Net Worth (Corporations Only)..................	19,704	26,705	27,219	28,160	29,694	31,221	33,843 *
PRICE INDEXES (Bureau of Labor Stats)1967=100							
Pulp, Paper & Products, ex. Building Grades....	187.3	273.2	271.4	293.3	292.0	293.8	312.3
Wood Pulp......................................	281.1	379.0	346.9	397.6	346.6	358.8	424.7
Waste Paper....................................	187.2	128.8	201.2	240.1	148.8	172.8	220.6
Paper..	194.3	286.3	282.0	302.9	303.4	306.3	319.1
Paperboard.....................................	176.2	254.9	250.9	281.5	274.6	271.6	300.9
PAPER DEMAND (INDEXED: 1977=100)							
Total Paper Production	100.0	109.1	118.4	124.3	122.8	127.9	133.0
Paper New Supply	100.0	107.3	117.8	127.6	128.7	133.6	140.2
Demand Indicators - (Weighted Average)	100.0	114.5	122.2	134.8	140.7	147.5	154.4
Production of Nondurable Goods ....(21.2%).	100.0	105.5	113.7	122.2	125.3	130.6	136.7
Disposable Income ....(23.9%)	100.0	109.4	112.8	119.5	123.0	128.0	129.5
Total Printing and Publishing ....(54.9%).	100.0	120.2	129.6	146.4	154.3	162.5	172.0
Trend Factor	Not Available						
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production	100.0	100.4	111.1	117.6	114.3	122.0	129.2
Production for Domestic Use	100.0	97.4	107.5	115.4	112.8	118.9	126.5
Demand Indicators - (Weighted Average)	100.0	101.0	107.9	118.1	120.1	122.0	125.9
Production of Consumer Goods ....(62.06%)	100.0	101.4	109.3	118.0	120.5	124.4	127.8
Production of Equipment ....(5.75%)	100.0	120.2	121.7	140.5	146.4	142.8	148.8
Production of Materials ....(32.19%)	100.0	96.7	102.8	114.2	114.5	113.9	118.1
Trend Factor	Not Available						
NEWSPRINT MARKETS							
Consumption by Publishers - Tons (000).........	10,230	11,144	11,674	12,603	12,773	13,158	13,552
Newspaper Pub. and Printing Empl. Total(000)...	396	419	426	440	454	461	461
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (PIB, Inc.)...........	105,389	121,617	141,859	157,798	155,545	154,317	155,126
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	N.A.	25,937	28,617	34,473	36,798	40,521	47,179
Inventories (End of Period).	N.A.	2,211	26,732	2,951	3,267	3,552	3,780
FIBRE BOX DATA (Fibre Box Association)							
Fibre Box Shipments (Million square feet).......	227,198	235,185	252,539	267,547	267,451	283,921	297,431
Container'bd Inventory at Mill & Plant(000Tons).	2,437	2,584	2,437	2,882	2,549	2,238	2,492
RETAIL TRADE (Million $)							
Total Retail Sales	722,489	1,069,278	1,171,191	1,289,373	1,379,621	1,454,411	1,507,134
Nondurable Goods Stores Sales	473,073	731,247	773,260	821,993	861,640	886,354	923,730
GENERAL ECONOMIC DATA							
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)...	100.0	103.1	109.2	121.4	124.2	125.1	129.8
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1967=100).	194.2	299.2	302.8	310.3	308.7	299.8	307.6
CONSUMER PRICES (ALL ITEMS) (INDEX 1967 = 100)...	181.5	289.1	298.4	311.1	322.2	328.4	340.4
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	223	332	380	453	531	586	621
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..							
G.N.P. or Expenditure - Current $..............	1,991	3,166	3,406	3,772	4,010	4,235	4,488
G.N.P. or Expenditure - 1982 $.................	2,959	3,166	3,279	3,501	3,607	3,713	3,820

Note: Wood Pulp Production excludes def., explo. & scrngs.

* First Three Quarters at Annual Rate

A2500-2

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

FEBRUARY 29. 1988

PRODUCTION (000 TONS)

	JANUARY	DECEMBER	JANUARY	FULL YEAR		% CHANGE YR TO DATE
	1988	1987	1987	1987	1986	1987/1986
PAPER GRADES						
Newsprint	499	499	490	5.842	5.630	3.8
Printing & Writing	1,804	1,784	1,693	20,750	19,625	5.7
Uncoated Groundwood (s)	122	110	135	1.491	1,540	-3.2
Coated Paper (s)	634	592	568	6,869	6,263	9.7
Uncoated Free Sheet Paper (s)	929	960	876	10.983	10.410	5 5
Thin Paper (s)	20	23	22	251	271	-7.1
Cotton Fiber Paper (s)	13	12	13	161	152	5.7
Bleached Bristols (s)	88	87	80	995	990	0.5
Tissue Paper	436	449	438	5.300	5.095	4.0
Total Pkg & Other Paper	436	432	460	5,068	5,117	-1.0
Unbl. Kraft Paper (s)	262	261	280	3.075	3,303	-6.9
Other Paper	173	171	180	1,993	1,814	9.9
TOTAL PAPER	3,174	3,164	3,081	36,959	35,466	4.2
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,638	1,642	1,543	18,888	17,689	6.8
Unbleached Kraft Linerboard	1,528	1,531	1,452	17,608	16,402	7.3
Other Unbl. Kraft Paperboard	110	111	91	1,281	1.287	-0.5
Semichemical Paperboard	488	450	482	5,606	5,376	4.3
Bleached Paperboard	381	382	382	4.406	4.271	3.2
Recycled Paperboard	744	691	716	8,594	8,083	6.3
TOTAL PAPERBOARD	3,251	3.165	3,123	37,493	35.419	5.9
TOTAL PAPER AND PAPERBOARD	6,425	6,342	6,226	74,452	70,885	5.0

WOOD PULP (ALL GRADES)	DECEMBER 1987	NOVEMBER 1987	DECEMBER 1986	First 12 Months 1987	1986	% Change 87/86
Dissolving & Special Alpha	109.1	137.2	121.8	1,311.8	1,257.6	4.3
Bleached Sulfite	105.9	104.4	101.5	1,268.9	1,274.9	-0.5
Unbleached Sulfite	15.4	15.6	12.8	171.2	164.2	4.3
Bleached & Semi-Bl. Sulfate	2,236.9	2,014.7	2,097.3	25,404.3	24,158.3	5.2
Unbleached Sulfate	1,869.0	1,715.9	1,761.8	21,465.6	20,483.8	4.8
Semichemical	339.3	352.1	345.2	4,245.6	4,190.7	1.3
Groundwood & Thermomechanical	483.9	471.7	462.0	5,714.3	5,487.1	4.1
TOTAL PULP DIVISION DATA	5,159.5	4,811.6	4,902.4	59,581.7	57,016.6	4.5

(s) - Shipments
P - Preliminary

See page 12 of the Monthly Statistical Summary for the historical data usually shown on this Data Sheet.

4/20/88 A 2500-2

Paper
Paperboard
& Wood Pulp

MONTHLY STATISTICAL SUMMARY · Vol. 66 No. 3 MARCH 1988

PAPER AND PAPERBOARD PRODUCTION REMAINS STRONG

The rate of paper and paperboard production in the first two months of 1988 held close to its fourth quarter 1987 high. The seasonally adjusted rate was 3.9% above its year-earlier level. Weekly data for March indicate a continuation of this strong pattern.

The January-February 1988 unadjusted total was 5.8% above its year-earlier level. The difference between the unadjusted and adjusted increases largely reflect the effect of the Leap-year day in February, which will diminish as the year progresses. The year-to-year changes reported for the individual grades in the following text and on page 3 are based on the unadjusted 1988 levels, and are about 2 percentage points above the underlying growth trends.

PAPER

The growth in the paper sector continues to be led by the communication papers. Coated papers contributed the largest shipments gain in this group, with an 11.8% gain from their year-earlier total in the first two months of 1988. Unfilled orders have been holding fairly close to the relatively high 700,000 tons level established in the June-July 1987 period. January imports of this grade, at 638,000 tons per year, were well above last January's annual rate, but below the 675,000 tons imported in calendar 1987. Coated papers exports were also well above their year-ago level, but below the rate for all of 1987 (see page 9 for data on imports and exports).

Shipments of uncoated free sheet papers in January-February 1988, at 11,138,000 tons per year, were 8.5% above the total in the same period last year. Unfilled orders are maintaining the high levels first reached in October 1987. January trade data show imports of this grade at a rate of 523,000 tons per year, up 14.8% from the January 1987 rate.

Domestic newsprint production in the first two months of 1988 was up 5.0% from its year-earlier total. However, both imports and exports in the first month of the year were down from their January 1987 total. Inventories of newsprint at U.S. and Canadian mills declined slightly from year-ago levels, but newsprint stocks at publishers increased 6%. Stocks at publishers were equivalent to 44 days of supply, compared to 42 days in February 1987 and 45 days in February 1986.

Continued on page 2

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Although production of unbleached kraft paper was 4.3% below its year-ago level in the first two months of 1988, it showed a 1.5% increase from the 1987 fourth quarter rate. Most of this increase occurred in shipments of multiwall bag paper.

Spurred by the gains in industrial production and a growing foreign demand, paperboard production closed the first two months of 1988 with a gain of 6.1% in the unadjusted data from the same period last year. The fastest growth was exhibited by unbleached kraft linerboard, which increased 8.5%. Production for export of this grade in the the first two months of 1988 were an impressive 19.0% higher than in the same two months of 1987 (see table on page 3).

Containerboard inventories at box plants and supplier mills as of March 1, 1988 were 10% above their year-ago level. The 1988 level was equivalent to 5.9 weeks of supply, compared to 5.5 weeks of supply one year ago.

Recycled paperboard production gained 6.1% from its year-ago level, largely the result of a 14.5% increase in production of recycled corrugating medium. Semichemical paperboard production rose by 2.3% in this period, bringing the production of total corrugating medium up 5%. Solid bleached paperboard production increased 1.3%, led by a 2.6% gain in production of solid bleached folding boxboard.

MARKET WOOD PULP

Market pulp continues to enjoy a strong domestic and foreign demand. Production of paper grade chemical market pulp in the first two months of 1988 increased 13% from its corresponding 1987 total. The gain was centered on exports, which increased 20% from its year-earlier total. The major purchasers of these exports were Western Europe, with 40% of the total, Japan, with 22%, and Asia/Africa, with 21%. The major increases were in shipments to Japan, whose 40,000 short tons increase resulted in a 44% gain, and the Asia/African countries, which posted a gain of 33,000 short tons, 36% above their year-ago level.

Although the year-to-year gain in shipments of these pulps was slightly greater than that of production, the two-month 1988 total was 47,000 short tons below production, leading to a corresponding increase in producer's market inventories. This rise was largely seasonal with the 1988 level 20% below its year-ago level.

INTERNATIONAL TRENDS: UNIT LABOR COSTS IN MANUFACTURING

In the article on international productivity (Monthly Labor Review, December 1987) the Bureau of Labor Statistics presented data on trends of hourly compensation and unit labor costs in manufacturing in 13 countries. The reported trends on unit labor costs were calculated in terms of both domestic currencies and their equivalent in United States dollars at the exchange rates that existed in each of the years shown.

The table on the bottom of page 10 shows annual index data on unit labor costs in 12 countries. While the data refer to all manufacturing, they are probably indicative of paper industry trends

Continued on page 11

PAPER AND PAPERBOARD STATISTICS

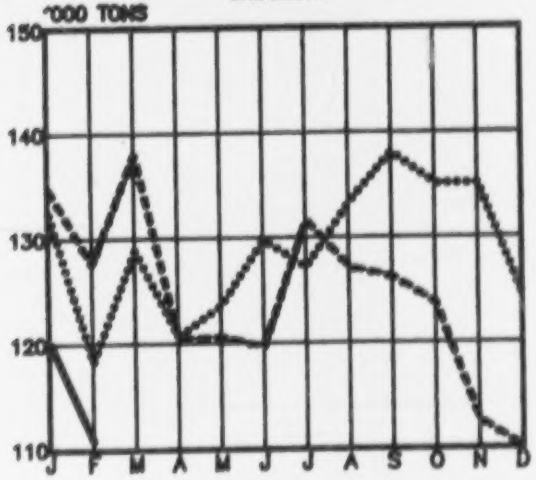
PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

	YEAR 1986	YEAR 1987	NOVEMBER 1987 (P)	DECEMBER 1987 (P)	JANUARY 1988 (P)	FEBRUARY 1988 (P)	Annual Rate Y-T-D 1988	% Change From same Period Last Year
PAPER								
Newsprint - Production	5,630	5,842	482	499	499	479	5,865	5.0
- Shipments	5,638	5,854	484	508	482	479	5,768	5.2
Printing & Writing Sum	19,625	20,750	1,723	1,784	1,811	1,744	21,332	7.8
Groundwood Paper - Shipments	1,540	1,491	112	110	120	111	1,382	-12.0
- New Orders	1,553	1,548	113	128	124	124	1,491	-1.6
-Unfilled Orders	124	179	153	179	165	184	184	85.8
Coated Papers - Shipments	6,263	6,869	587	592	635	592	7,357	11.8
- New Orders	6,334	7,107	563	615	624	585	7,253	11.7
- Unfilled Orders	469	739	693	739	693	695	695	40.8
Unctd Free Sheet - Shipments	10,410	10,983	907	960	940	917	11,130	8.5
- New Orders	10,485	11,195	919	979	940	914	11,126	9.3
- Unfilled Orders	587	770	730	770	729	746	746	39.5
Thin Papers - Shipments	271	251	20	23	20	23	254	-3.3
Cotton Fiber Paper - Shipments	152	161	13	12	13	14	161	1.9
Bleached Bristols - Production	990	995	84	87	85	89	1,040	9.1
Tissue Paper - Production	5,095	5,300	442	449	446	437	5,298	3.4
Total Packaging & Other Paper	5,117	5,068	419	432	440	434	5,243	-0.5
Unbl. Kraft Paper - Shipments	3,303	3,075	243	261	262	255	3,101	-4.3
Other Paper - Production	1,814	1,993	176	171	177	180	2,141	5.6
TOTAL PAPER-Production-Unadj.	35,466	36,959	3,066	3,164	3,195	3,094	37,738	5.5
-Production-S.A.			3.116	3.119	3,123	3,126	37,495	3.5
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	27,336	28,900	2,330	2.474	2,501	2,389	29,340	6.1
Total Unbl. Kraft Paperboard	17,689	18,888	1,527	1,642	1,637	1,576	19,276	8.5
Unbl. Kraft Linerboard (1)	16,402	17,600	1,443	1,531	1,527	1,475	18,011	8.5
Production for Export	2,246	2,268	139	217	205	221	2,556	19.0
Other Unbl. Kraft Paperboard	1,287	1,281	84	111	110	101	1,265	7.3
Semichemical Paperboard	5,376	5,606	450	450	488	454	5,655	2.3
Production for Export	213	186	11	12	10	11	123	-41.3
Solid Bleached Paperboard	4,271	4,406	345	382	376	359	4,408	1.3
Production for Export	569	564	46	47	45	51	578	2.5
Recycled Paperboard	8,083	8,594	739	691	749	719	8,812	6.1
Production for Export	70	60	9	6	6	5	66	105.8
TOTAL PAPERBOARD-Prod.-Unadj.	35,419	37,493	3,069	3,165	3,251	3,108	38,151	6.1
- Containerboard Prod.(Dom. Use)	21,426	23,026	1,938	1,947	1,999	1,889	23,327	7.0
- Boxboard Prod.(Dom. Use) (2)	5,903	6,178	505	515	538	507	6,269	1.6
- All Other P'bd Prod.(D.U.) (2)	4,992	5,210	420	421	447	425	5,233	3.5
- Total Paperbd Prod. for Export	3,097	3,079	206	282	266	288	3,323	12.9
TOTAL PAPERBOARD PROD.- S.A.			3,175	3,183	3,183	3,174	38,141	4.3
TOTAL PAPER AND PAPERBOARD Production - Unadj. (R)	70,885	74,453	6,135	6,342	6,446	6 202	75,889	5.8
Production - S.A.			6,291	6,303	6,306	6,300	75,636	3.9

(1) Includes all exports of kraft paperboard.   R - Revised   P - Preliminary   S.A. - Seasonally Adjusted
(2) Data for unbl. kraft folding boxboard incl. in All Other P'bd.

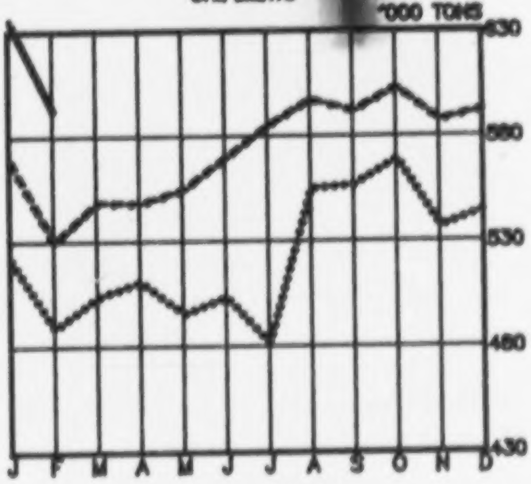
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



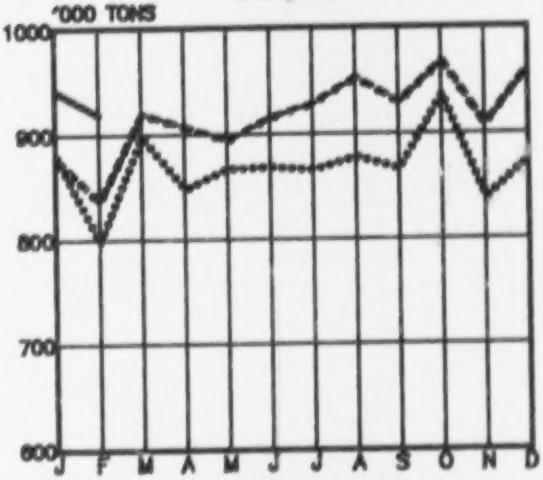
COATED PAPER

SHIPMENTS



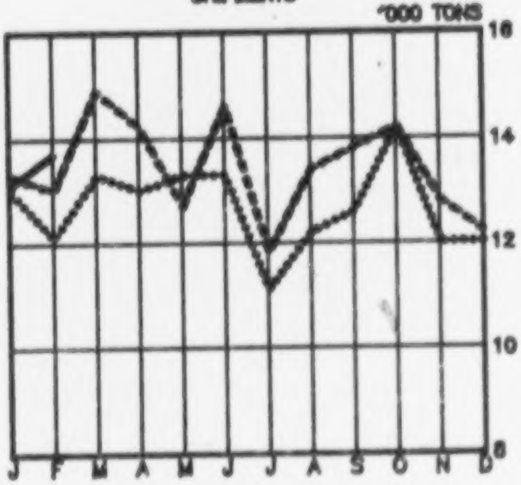
UNCOATED FREE SHEET PAPERS

SHIPMENTS



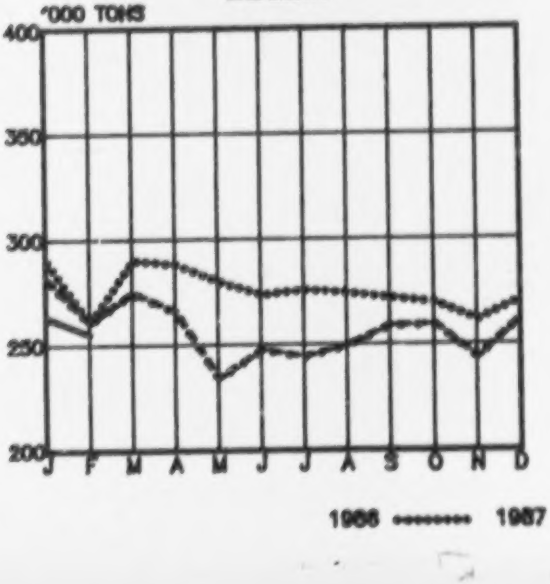
COTTON FIBER PAPER

SHIPMENTS



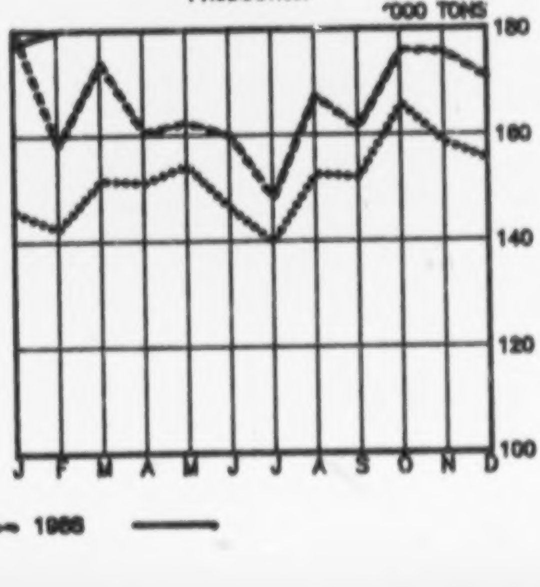
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1986 ········ 1987 - - - - - 1988 ———

WOOD PULP STATISTICS
(Thousands of Tons)

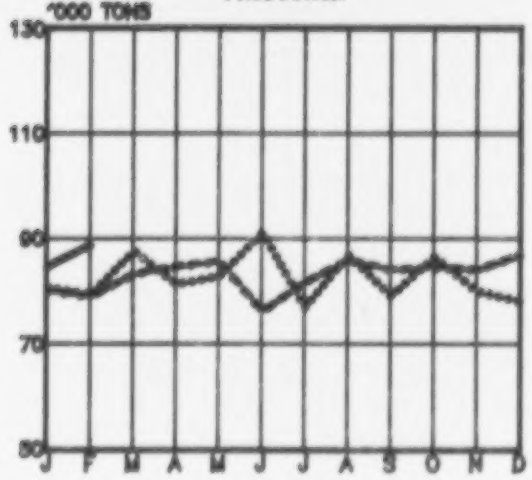
	YEAR		OCTOBER 1987	NOVEMBER 1987	DECEMBER 1987	JANUARY 1988	Annual Rate Y-T D 1987	% Change from same Period Last Year
	1986	1987						
TOTAL WOOD PULP					R	P		
Total Wood Pulp - Production	57.017	59,564	5,066	4,812	5,160	5,271	63,252	4.2
- Imports	4,582	4.856	386	401	415	390	4.679	-11.9
- Exports	4,458	4,889	333	365	527	391	4.687	27.5
- New Supply	57.140	59.525	5.119	4.848	5.048	5.270	63,244	1.4
Dissolving Pulp - Production	1,258	1.312	88	137	109	98	1,180	-9.2
Imports	255	190	19	9	9	20	245	75.2
- Exports	711	752	53	61	72	67	804	24.6
- New Supply	801	757	54	85	45	52	620	-21.9
Paper Grades Chemical Pulp - Production	46,081	48,293	4,110	3,851	4,227	4,285	51,422	4.7
- Imports	4,220	4.456	345	376	378	353	4.240	-16.7
- Exports	3.689	4,111	278	301	449	322	3,866	20.0
- New Supply	46.612	48.637	4.176	3.925	4.156	4.316	51,796	1.2
Groundwood and Thermo-Mech. - Production	5.487	5,714	501	472	484	512	6,144	4.7
- Imports	108	197	23	17	28	16	195	139.1
- Exports	59	26	2	3	5	1	17	45.4
- New Supply	5.536	5.885	523	486	507	527	6.322	6.4
Semi-Chemical - Production	4,191	4,246	367	352	339	376	4,506	1.2
- Imports								
- Exports								
- New Supply	4,191	4.246	367	352	339	376	4.506	1.2
MARKET WOOD PULP								
Total Market Wood Pulp - Production	7.514	8.120	670	670	723	722	8.668	9.6
- Imports	3,122	3,235	267	260	293	272	3,261	14.2
- Exports	4,470	4,820	303	317	531	363	4.351	22.6
- New Supply	6,166	6,543	554	613	485	631	7,578	5.1
Dissolving Pulp - Production	1,234	1,300	88	137	109	98	1.180	-8.0
- Imports	212	154	14	0	0	19	228	169.3
- Exports	718	775	56	47	88	57	678	35.8
- New Supply	728	687	46	99	29	61	730	-15.9
Paper Grades Chemical Pulp - Production	6.264	6,886	502	532	613	623	7.470	13.0
- Imports	2,831	2,975	240	246	272	245	2.941	7.7
- Exports	3.752	4,045	320	270	443	306	3.672	20.4
- New Supply	5.343	5,736	494	500	442	562	6,739	7.1
Groundwood Pulp and All Other - Production	16	14	1	1	1	2	18	25.0
- Imports	79	106	13	6	14	8	91	134.2
- Exports	0	0	0	0	0	0	1	0.0
- New Supply	96	120	14	7	15	9	108	102.6

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

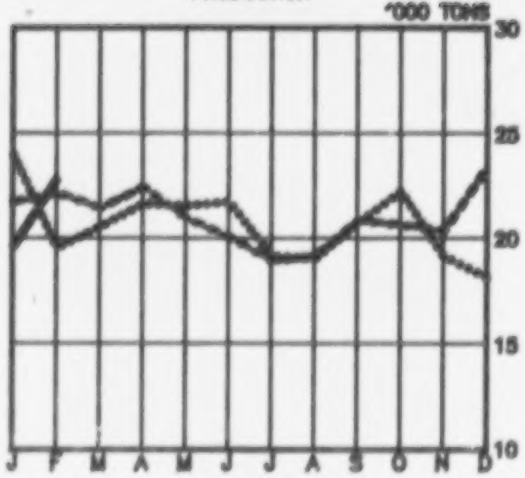
FIBROUS RAW MATERIALS
(Thousands of tons)

	YEAR		OCTOBER 1987	NOVEMBER 1987	DECEMBER 1987	JANUARY 1988	Annual Rate Y-T D 1987	% Change from same Period Last Year
	1986	1987						
CONSUMPTION AT PAPER & PAPERBOARD MILLS					R	P		
Total	73,556	77.065	6.630	6.310	6.542	6.733	80.790	3.3
Total Wood Pulp	56,320	58,717	5,011	4,756	5,053	5,166	61.991	2.6
Waste Paper	17.236	18.348	1.619	1,553	1.489	1.567	18.800	5.6
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers Own-Use Inventories	174	170	161	162	170	154	154	-19.4
Producers' Market Inventories	284	224	267	290	224	292	292	-15.0
Consumers Purchased Inventories	496	529	531	499	529	500	500	7.7
Waste Paper at Paper & Bd. Mills	838	887	838	817	887	847	847	7.7
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	16	12	14	15	12	14	14	-30.0

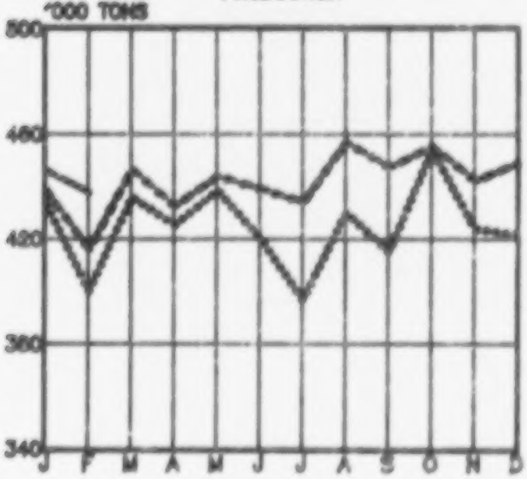
SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons


BLEACHED BRISTOLS

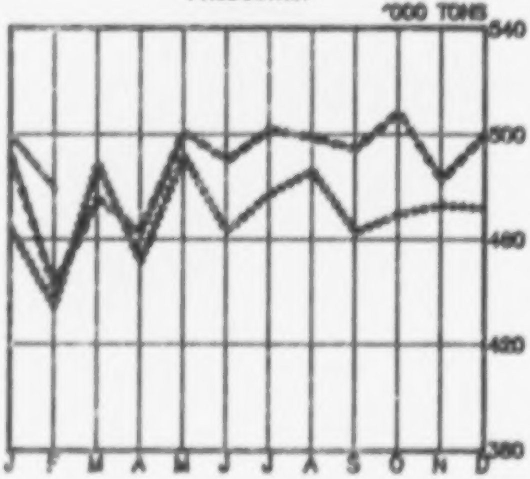
PRODUCTION


THIN PAPER

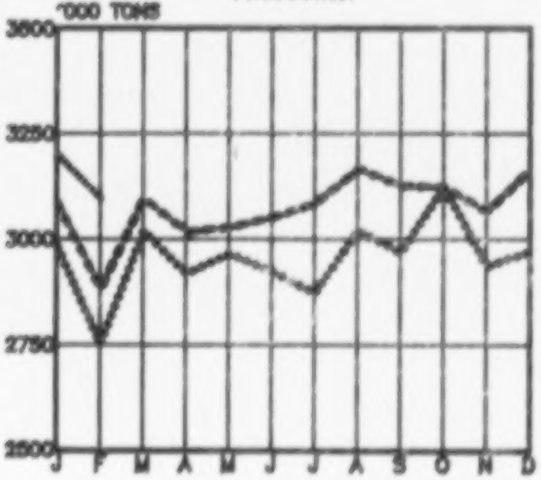
PRODUCTION


TISSUE PAPER

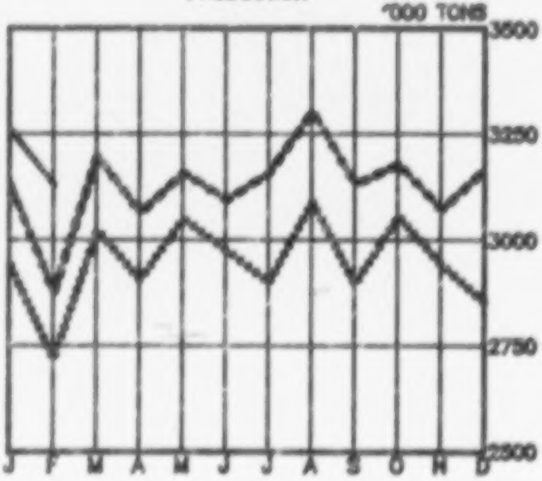
PRODUCTION


NEWSPRINT

PRODUCTION


TOTAL PAPER

PRODUCTION


TOTAL PAPERBOARD

PRODUCTION

1986 ········ 1987 - - - - - -1988 ——

FIBROUS RAW MATERIALS

(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1986	YEAR 1987	OCTOBER 1987	NOVEMBER 1987	DECEMBER 1987	JANUARY 1988	Annual Rate Y T D 1988	% Change From Same Period Last Year
PULPWOOD									
Total U.S.	- Total Receipts	90,943	94,312	8,436	7,227	8,003	7,737	92,844	-4.2
	- Total Consumpt	91,434	93,946	7,984	7,401	8,162	8,223	98,676	2.2
	- Residues *	32,755	32,899	3,029	2,649	2,702	2,505	31,020	-5.4
	- Inventories	4,794	5,096	5,301	5,211	5,096	4,629	4,629	-1.8
So. Atlantic	- Total Receipts	29,513	31,147	2,814	2,462	2,660	2,554	30,648	1.4
	- Total Consumpt	29,425	30,915	2,605	2,466	2,692	2,684	32,208	4.2
	- Residues *	9,363	9,553	915	820	820	810	9,720	3.2
	- Inventories	994	1,211	1,256	1,240	1,211	1,025	1,025	10.1
Northeast	- Total Receipts	7,277	6,941	592	513	590	607	7,284	-11.5
	- Total Consumpt	7,227	7,109	599	559	578	644	7,728	-3.3
	- Residues *	1,419	1,543	134	126	171	118	1,416	10.3
	- Inventories	484	594	542	507	594	590	590	20.0
South Central	- Total Receipts	31,790	33,650	2,975	2,964	2,960	2,637	31,644	-7.5
	- Total Consumpt	32,113	33,059	2,787	2,502	2,996	2,818	33,816	0.6
	- Residues *	9,792	9,992	867	771	804	745	8,940	-16.4
	- Inventories	926	1,294	1,363	1,317	1,294	1,066	1,066	16.0
North Central	- Total Receipts	6,571	6,552	632	487	573	675	8,100	-0.9
	- Total Consumpt	6,730	6,764	610	563	560	652	7,824	11.1
	- Residues *	1,042	1,263	165	117	152	167	2,004	92.0
	- Inventories	892	830	883	815	830	873	873	-14.5
West	- Total Receipts	15,792	16,022	1,423	1,201	1,204	1,264	15,168	-5.5
	- Total Consumpt	15,939	16,099	1,383	1,231	1,336	1,425	17,100	0.5
	- Residues *	11,159	10,540	940	819	795	745	8,940	-13.0
	- Inventories	1,490	1,167	1,257	1,324	1,167	1,067	1,067	-24.3

* Consumption of Residues in Cord Equivalents. SOURCE American Pulpwood Association 10 Mar 88

UNITED STATES TRADE WITH CANADA

IMPORTS FROM CANADA

	YEAR 1987 Tons	YEAR 1987 ($000's)	DECEMBER 1987 Tons	DECEMBER 1987 ($000)	JANUARY 1988 Tons	JANUARY 1988 ($000)	Annual Rate Y-T D 1988 Tons	% Change From Same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	15,382	1,736	2,140	454	1,501	159	18,012	576.1
Pulpwood chips	487,147	15,250	65,318	1,707	74,670	2,065	896,136	824.0
Wood Pulp, Total	4,320,116	1,842,019	354,274	161,306	345,944	165,197	4,151,328	-10.5
Waste Fibrous Materials, Total	186,206	36,423	17,531	3,461	19,504	4,194	234,047	23.0
Paper, Board & Products, Total	10,588,247	5,097,903	834,109	419,911	886,959	468,213	10,643,507	-5.4
Paper, Paperboard, Wet Machine Bd. & Constr. Paper & Bd.	10,441,472	4,845,663	822,966	401,630	875,718	440,801	10,508,611	-5.2
Paper, Paperboard & Products	10,365,412	5,027,943	821,312	415,845	870,630	455,385	10,447,564	-5.1
Paper & Paperboard, Only	10,218,838	4,779,702	810,169	397,564	859,389	435,975	10,312,668	-5.0
Paper, Total	9,961,198	4,698,148	786,274	389,474	836,335	428,143	10,036,020	-5.1
Newsprint	8,508,309	3,956,147	669,259	323,506	708,069	354,393	8,504,828	-8.7
Printing, Writing & Rel. Pap.	1,111,641	601,970	94,500	52,970	101,539	59,814	1,218,462	25.5
Pack. & Ind. Conv. Paper	219,514	102,986	17,020	9,012	22,338	10,849	268,050	2.7
Special Industrial Paper	5,470	9,844	491	963	241	407	2,892	-54.7
Tissue Paper	40,257	27,194	4,204	3,042	3,549	2,600	42,588	46.4
Paperboard, Total	257,639	81,554	23,895	8,090	23,054	7,832	276,648	0.2
Convtd Paper&Paperbd Products	146,575	248,241	11,143	18,281	11,241	19,411	134,896	-13.0
Wet Machine Board	2,890	1,977	100	118	274	189	3,290	51.3
Construction Paper & Board	219,744	63,983	12,617	3,949	16,054	4,638	192,653	-16.7

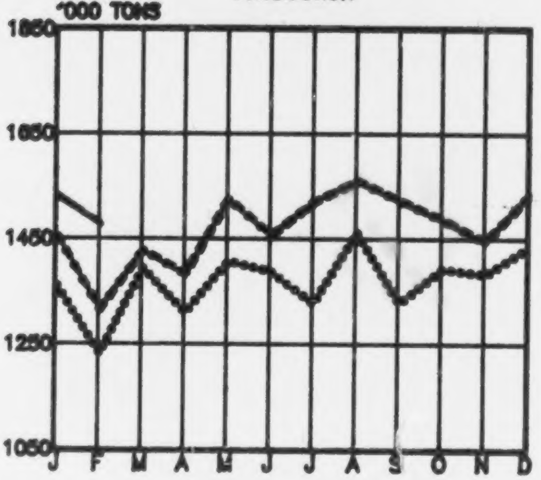
EXPORTS TO CANADA

Pulpwood, Roundwood (in cords of 128 cubic feet)	12,617	770	1,959	60	351	16	4,212	N.M.
Pulpwood chips	61,575	4,014	2,227	175	770	16	9,336	-72.1
Wood Pulp, Total	190,921	75,956	11,710	5,125	20,771	8,616	249,252	60.4
Cotton Pulp & Other Pulp	50,280	14,775	8,191	1,962	9,093	1,838	109,116	227.4
Waste Paper	286,890	30,592	31,300	3,620	17,798	2,173	213,576	-11.3
Paper, Board & Products, Total	957,434	590,429	77,400	51,941	179,386	87,355	2,152,626	150.7
Paper, Paperboard, Wet Machine Bd. & Constr. Paper & Bd.	712,434	390,256	59,189	34,512	163,791	70,693	1,965,494	193.6
Paper, Paperboard & Products	920,755	581,481	75,260	50,744	176,798	86,137	2,121,577	156.4
Paper & Paperboard, Only	675,815	381,300	56,777	33,335	161,284	69,675	1,936,446	203.1
Paper, Total	297,585	250,007	24,665	23,116	29,568	22,335	354,811	-0.6
Newsprint	4,525	3,720	274	260	230	230	2,054	-59.4
Printing, Writing & Rel. Pap.	151,716	125,667	13,307	12,464	12,301	11,417	147,613	0.0
Pack. & Ind. Conv. Paper	25,026	17,041	2,433	1,434	3,050	1,051	36,695	35.2
Special Industrial Paper	110,107	97,000	8,370	8,450	13,537	8,305	162,444	-5.9
Tissue Paper	5,411	6,490	281	490	474	750	5,206	99.4
Paperboard, Total	378,230	130,501	32,112	10,221	131,616	47,141	1,577,634	461.6
Convtd Paper&Paperbd Products	244,940	200,173	18,291	17,489	15,514	16,662	187,132	-1.0
Wet Machine Board	10,212	4,020	500	241	687	269	8,239	-44.7
Construction Paper & Board	26,467	12,120	1,912	956	1,901	940	22,810	38.6

SOURCE: Bureau of Census, Department of Commerce E - Estimate of tonnage based on square foot data 10 Mar-88

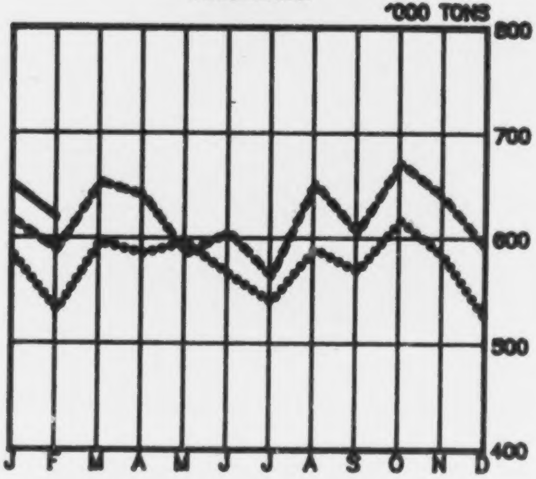
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



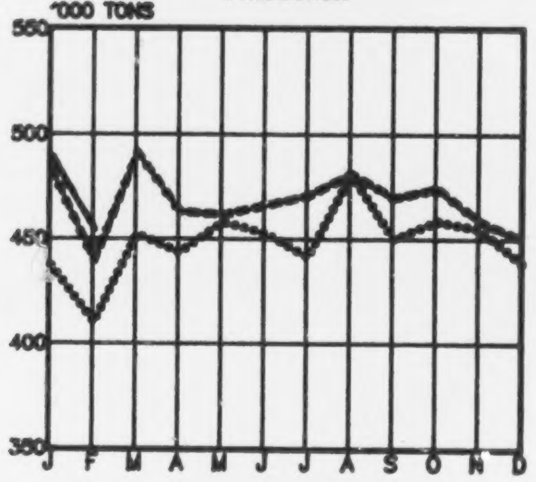
RECYCLED PAPERBOARD

PRODUCTION



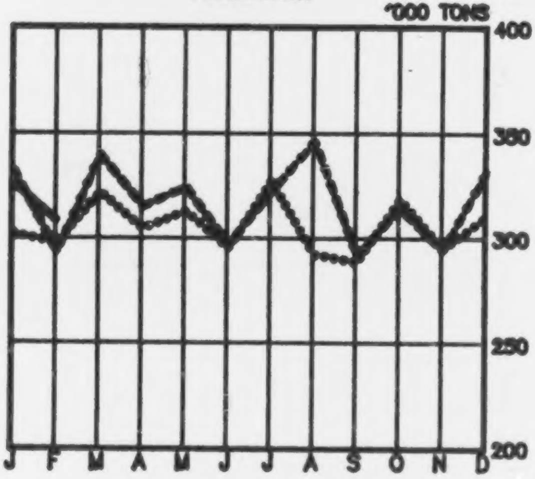
SEMICHEMICAL PAPERBOARD

PRODUCTION



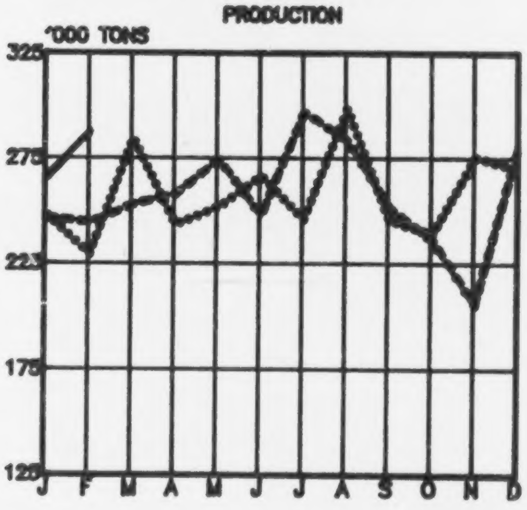
SOLID BLEACHED PAPERBOARD

PRODUCTION



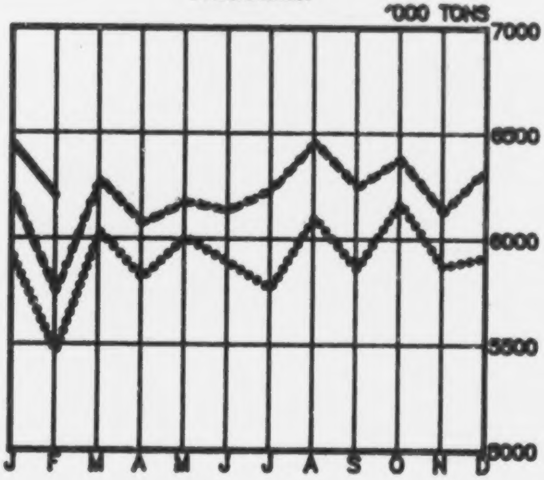
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1986 ········ 1987 ━━━━━ 1988 ———

IMPORTS

	YEAR 1987 Tons	YEAR 1987 $000	1987 DECEMBER Tons	1987 DECEMBER $000	1988 JANUARY Tons	1988 JANUARY $000	(1) Annual Rate YTD 1987 Tons	% Change from same Period Last Year
* * *								
Pulpwood Roundwood (cords)	15 432	1 746	2.140	454	1 501	159	18 012	505.24
Pulpwood Chips	525 629	15.476	66.300	1.720	75,171	2 085	902 052	823 59
Total All Imports	17 891.172	9.043 600	1.461.792	775 851	1 467 238	790 464	17 606.855	-5.74
Wood Pulp Total	4.050.230	2 069.309	414.551	180.932	389 927	187,160	4 679,124	-11.09
Waste Paper	127 398	19 231	13.238	2.130	14 592	2 694	175 104	74 03
Other Fibrous Materials	76.491	27.287	5.529	2.074	6.540	2.422	78.581	-26.69
Paper Board & Products Total	12 837 046	6 927 693	1.028.473	582.715	1.056 171	598 188	12 674.046	-3.69
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	12.435.486	5.995.122	997 018	508.860	1.026 365	529 586	12 316.380	-3.39
Paper Ppbd & Prds ex Cnst&WMB	12 527.598	6 828 736	1,009.847	576,446	1.033 578	591.355	12 402 941	-3.45
Paper & Paperboard Only	12.126.039	5.896 165	978.392	502.591	1.003.773	522 754	12 045.275	-3 13
Paper Total	11.765.200	5.760.703	949.750	492.277	976.974	513,188	11.723,687	-1 95
Newsprint	8.986.548	4.121.327	710.046	341,072	726,837	361.770	8 722.044	-8.25
Printing & Writing	2.410.216	1.412.458	211.377	130.963	214,449	129.998	2 573 387	25.73
Uncoated Groundwood	1.269.774	654.767	104.753	55 937	114.468	57 941	1 373.618	45.05
Coated Print.& Impreg. Pap.	674 531	467.065	62,135	45,647	53,207	41,123	638.489	10.85
Uncoated Free Sheet	417.395	249.943	40.897	26 291	43.568	28.081	522.018	14.77
Uncoated Book	210 624	119.775	11,490	7,537	19 671	11.886	236.054	33.04
Writing and Similar Paper	206.771	130.168	29 407	10 754	23.897	16 195	286 764	2 72
Thin (except Cigarette)	47.567	38 831	3.529	3,010	3,091	2.725	37.096	-48.77
Bristols	950	1.052	63	70	114	128	1 366	32 94
Total Pkg & Other Paper	310 324	191.620	23.614	16,479	30 699	10,165	360 393	7.04
Unbleached Kraft Paper	168.420	69.828	11.912	5 370	15 183	6 786	182.197	-3 55
Other Pkg. & Indust. Paper	141.904	121.792	11,702	11,109	15.516	11,379	186,196	19 91
Tissue	58.121	43 299	4.722	3.763	4 989	3 254	59.063	1 49
Paperboard, Total	360.831	127 461	28,634	10,314	26.799	9,566	321.588	-32.01
Test or Containerboard	80.981	29.352	7 676	3 154	7.528	3 183	90.336	-10.53
Semi Chemical Corrugating	128.636	33.898	13.591	3.891	12,508	3,481	150.098	13.10
Other Paperboard	151,214	64.211	7 367	3.269	6 763	2 901	81.154	-66.07
Convtd Paper&Paperbd Products	401 559	932 571	31.456	73,855	29.806	68.602	357.666	-13.11
Paper Products. Total	368.179	866.121	29 135	69 520	26.949	63.914	323 386	-14 04
Paperboard Products, Total	33.380	66.450	2.321	4,334	2.857	4 688	34,280	-3.26
Wet machine Board	3.463	2 638	203	147	296	221	3 557	42.64
Construction Paper & Board	305.985	96 320	18.423	6,122	22,296	6.612	267.548	-13 97
Notes								
Other: No Weight Avail. ($000)		201.453		15 616		13.908	166 896	-9.83
Total Imports Incl. Other($000)		9 245 053		791 466		804 372	9 652.463	5.68

EXPORTS

							(1)	
Pulpwood, Roundwood (cords)	16.178	913	3.639	147	351	16	4.212	N.M.
Pulpwood Chips	2.546 467	188 459	272 691	20.051	126 596	8 782	1 519.152	4 52
Total All Exports	14.797 437	6.007.818	1 459 414	601.457	1,327,124	543.554	15 925.490	24.76
Wood Pulp Total	4 889 331	2.259.377	526 543	256.360	390,675	191 818	4 688.100	27.54
Cotton Pulp and Other Pulp	182 001	91.365	19,365	9,401	18.836	8.671	226,032	41.32
Waste and Old Paper	4 422.139	553 348	444.888	54 207	417 137	51.498	5 005 644	28.95
Paper, Board & Products.Total	5 303.966	3.103.728	468,618	281,489	500,476	291.568	6.005.714	10 98
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	4.578,770	2.280.329	405.847	210.498	444.256	221.172	5 331 068	21 28
Paper, Ppbd & Prod ex Cnst&WMB	5.196 613	3.044,506	460.407	276,808	492,262	287.798	5.907.143	20.12
Paper & Paperboard, Only	4.471.410	2.221,107	397 636	205 817	436.041	217.402	5 232.497	22 66
Paper, Total	921,397	776 181	84.282	73 925	76.479	68 226	917 753	2 91
Newsprint	339 773	210.093	29.972	19.942	23,197	17,270	279,362	-19.73
Printing & Writing	249.092	242.639	22.629	22.684	20 187	21 074	242.244	19.25
Uncoated Groundwood	55 841	39.750	4.747	3.614	3.727	3 525	44.726	-12.14
Clay Coated Paper	100.839	72.145	9 313	6 907	8 042	6 142	96 500	22 78
Uncoated Free Sheet	67 858	99.330	6.871	9,791	5.848	8 537	70.176	24.57
Other Printing & Writing	24.554	31.414	1.699	2.372	2 570	2 870	30.834	70.23
Total Pkg. & Other Paper	294.201	292 659	27.988	20,380	29.911	26.063	358 934	11.00
Unbleached Kraft	89 194	40.758	10 304	4 786	6 968	3.483	83.614	14.51
Other Pkg. & Indust. Papor	205.007	251 901	17.684	23,594	22.943	22,580	275.321	9.97
Tissue	38 332	30 790	3.693	2.918	3 184	3.812	38.213	106.69
Paperboard, Total	3 550 021	1.444.926	313.354	131.893	359,562	149,176	4,314.744	27 89
Solid Wood Pulp	3 218 952	1.321.618	283.557	122 381	334.844	139 045	4 018 122	29.30
Total Linerboard	2.296 633	812,161	203.931	74,603	162.881	61,560	1 954.571	-7.36
Bleached Kraft Linerboard	102,266	46.429	16 480	6.856	12.852	6 635	154 226	242 30
Unbleached Kraft Linerbd	2.194.367	765 731	187.451	67.747	150,029	54.925	1.800,344	-12.81
Other Unbleached Kraft	210.566	78.596	14 023	5 314	114.768	41.828	1 377 221	456.98
Other Bleached Kraft	647.803	407.923	62,145	41,161	51,191	33,259	614,293	-5.43
Semi-Chemical Corrugating	63.951	22 938	3.458	1.304	6 003	2.398	72.037	-20.58
Recycled Paperboard	331.069	123.308	29,797	9,512	24.719	10,131	296.622	11.33
Convtd Paper&Paperbd Products	725.196	823.399	62 771	70 991	56 221	70 396	674.646	3 47
Paper Products, Total	301.202	540 681	27.757	45,465	23,437	43 883	281,245	8.51
Paperboard Products, Total	423.994	282,718	35 014	25.526	32.783	26 512	393.401	0 14
Wet Machine Board	17.328	7.816	870	432	953	407	11,434	-59.22
Construction Paper & Board E	90.024	51.405	7 333	4 248	7 262	3 362	87 138	-14 42
Notes								
Other No Weight Avail. ($000)		8.037		676		521	6 247	9.15
Total Exports Incl. Other($000)		6.015.855		602,133		544.074	6 528.892	32.02

SOURCE: Bureau of Census U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year To Date is in tons unless otherwise specified in item description.

# PRODUCER PRICE INDEXES
1982 = 100

	1986	1987	NOVEMBER 1987	DECEMBER 1987	JANUARY 1988	FEBRUARY 1988	Annual Rate Y T D 1988	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	107 5	114 3	117 2	117 5	118 9	119 6	119.3	6.6
Pulp Paper & Products ex. Building Grades & ex Waste Paper *	106 9	113 2	116 0	116 3	117 6	118 4	118 0	6 4
Total Wood Pulp	94 7	111 6	117 6	118 4	120 6	127 3	124 0	17 5
Total Paper	107 0	111.5	114.2	114.7	118.1	118 7	118.4	7.1
Total Paper, exc. Newsprint	107 9	110 6	113 6	114 4	118 1	118 6	118 4	6 4
Newsprint	103 3	112 3	117.2	116 6	125.4	126 7	126.1	16.4
Total Paperboard	106.5	118 1	122.1	122.7	122.7	122.8	122.8	7 0
Total Paper and Paperboard *	106 8	113.6	116.7	117.2	119.5	120 0	119.8	7.1
Converted Products	109 4	114 7	117 0	117 1	117 8	118 3	118 1	4 9
Waste Paper	142 6	181 5	186.1	188.0	193.1	189 0	191 1	16 9
All Commodities	100 2	102 8	104.2	104.1	104 5	104.6	104 6	3 8
Industrial Commodities	100.0	102.6	104.2	104.1	104.3	104.4	104.4	3.7

SOURCE Producer Price Indexes Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

UNIT LABOR COSTS IN MANUFACTURING, NATIONAL CURRENCY BASIS, TWELVE COUNTRIES

(INDEXES: 1977=100)

YEAR	UNITED STATES	CANADA	JAPAN	BEL-GIUM	DEN-MARK	FRANCE	GERMANY	ITALY	NETHER-LANDS	NORWAY	SWEDEN	UNITED KINGDOM
1977	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1978	106.6	106.5	98.7	101.6	108.6	108.0	104.5	111.2	101.8	108.1	108.4	114.2
1979	117.0	116.2	98.8	105.0	115.7	117.0	107.3	121.9	104.1	108.2	108.3	134.1
1980	130.6	133.7	98.4	109.4	121.0	134.3	115.7	137.0	108.5	120.0	118.6	164.5
1981	140.1	146.7	102.0	113.2	131.1	151.0	121.2	158.9	110.4	133.4	130.9	181.2
1982	148.7	170.0	101.2	111.4	142.2	167.2	125.2	184.0	115.2	142.1	136.3	184.4
1983	145.0	168.1	98.9	107.8	144.9	179.9	124.6	208.4	113.0	148.0	138.1	182.2
1984	142.2	158.8	95.0	112.1	155.4	191.6	125.8	217.8	106.8	152.0	144.8	183.9
1985	142.4	162.6	92.9	116.3	165.7	200.9	128.1	236.9	108.7	163.5	156.1	189.0
1986	141.8	169.4	93.5	117.6	173.2	205.9	132.1	244.1	111.6	180.5	167.3	196.1

UNIT LABOR COSTS IN MANUFACTURING, U.S. DOLLAR BASIS, TWELVE COUNTRIES

(INDEXES: 1977=100)

YEAR	UNITED STATES	CANADA	JAPAN	BEL-GIUM	DEN-MARK	FRANCE	GERMANY	ITALY	NETHER-LANDS	NORWAY	SWEDEN	UNITED KINGDOM
1977	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1978	106.6	99.3	126.8	115.8	118.4	117.9	121.0	[illegible]	115.7	109.7	107.2	125.6
1979	117.0	105.4	121.3	128.3	132.0	135.2	135.9	129.5	127.4	113.8	112.9	163.1
1980	130.6	121.5	116.8	134.3	129.0	156.4	147.9	141.4	134.1	129.3	125.3	219.2
1981	140.1	130.0	123.8	109.6	110.3	136.4	124.9	123.2	108.9	123.6	115.4	210.2
1982	148.7	146.3	108.8	87.2	102.3	124.9	119.7	119.9	105.8	117.1	96.9	184.8
1983	145.0	144.9	111.5	75.5	95.1	116.1	113.1	121.1	97.1	107.9	80.4	158.3
1984	142.2	130.3	107.2	69.5	90.1	107.8	102.6	109.5	81.6	99.1	78.2	140.9
1985	142.4	126.5	104.3	70.2	93.9	110.0	101.1	109.6	80.4	101.3	81.1	140.5
1986	141.8	129.5	148.7	94.3	128.4	146.2	141.3	144.5	111.9	129.8	104.9	164.9

NOTE: THE DATA RELATE TO ALL EMPLOYED PERSONS (WAGE AND SALARY EARNERS, THE SELF-EMPLOYED, AND UNPAID FAMILY WORKERS) IN THE UNITED STATES AND CANADA, AND ALL EMPLOYEES (WAGE AND SALARY EARNERS) IN THE OTHER COUNTRIES.

SOURCE: U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS, DEC 1987.

in those countries where the paper industry is an important part of all manufacturing.

The effect of the run-up of the value of the dollar in international markets from 1980 to 1985 is clearly shown in this table, as is the impact of the subsequent decline. Unit labor costs in manufacturing in the United States rose 9% from 1980 to 1985, and then declined fractionally in 1986.

Measured in dollars, unit labor costs in Sweden declined 35% from 1980 to 1985 as the dollar rose, and then increased 29% (from that lower base) in 1986 as the dollar returned to levels more consistent with economic fundamentals. However, measured in local currency, unit labor costs in Sweden increased 32% from 1980 to 1985 and a further 7% in 1986.

In Canada, whose currency tends to move much more closely in line with the U.S. dollar than the European currencies, unit labor costs in terms of the U.S. dollar rose 4% from 1980 to 1985, and then another 2% in 1986. In terms of the Canadian dollar, the gain was 21.6% and 4% respectively.

Unit labor costs in manufacturing in Japan declined 5.6% in terms of its own currency between 1980 and 1985. Japan was the only country listed to show such a decline. In terms of the U.S. dollar, the decline was 10.7%. In 1986, however, the Japanese yen rose sharply against the U.S. dollar. Unit labor costs in manufacturing in Japan rose 0.6% in terms of the yen, but 42.6% in terms of the U.S. dollar, bringing the 1986 index level above the index level shown for U.S. unit labor costs. While these data measure trends within each country, they do not compare the levels of unit labor costs between the various countries.

POSTAGE RATE INCREASE

Effective April 3, 1988, the United States Postal Service has initiated an increase in postage rates. The Postal Service presently handles an estimated 160 billion pieces of mail annually, nearly 40% of which is third class mail.

At the end of 1987, third class mail volume exceeded 70,000 tons per week. This mail consists largely of advertising matter of one sort or another, nearly all of which is paper.

Third class mail rates increased, on average, by 25%, with increases in the major uses ranging from a 22% increase for carrier-route pre-sorted bulk mail to 34% in the minimum per piece rate for non-sorted mail. Because the average increase is weighted by the mail volume, it is close to the lower level of the range. The history of changes in mail volume following past increases should give some idea of the potential impact of the current increases on the future volume.

The last increase in third class postage rates was on February 17, 1985. The average increase then was 14%, with the bulk rate at 13%. The chart below pictures the trend of the volume of third class mail from the first quarter of 1981 to the last quarter of 1987.

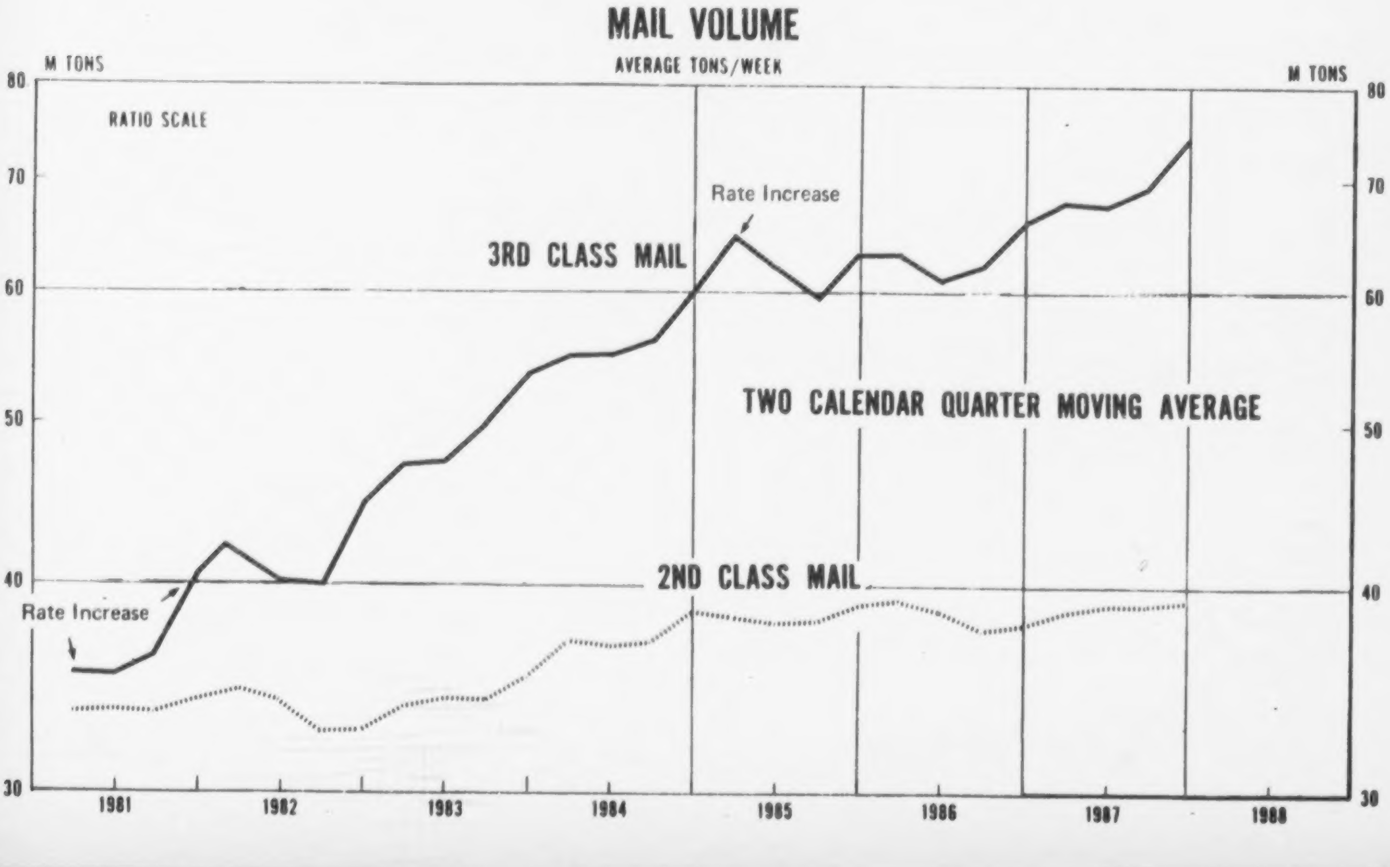
Continued on page 12

The chart shows that the volume of mail bunched up in early 1985 as mailers rushed to beat the postage increase. The volume moved downward from that first quarter 1985 peak during the next two quarters, and showed only small changes for the subsequent four quarters. The rate increase was fairly well absorbed by the system by then, and the volume of mail resumed its sharply rising long term trend.

There were two postage rate increases in 1981, a preliminary one of 9% in March and final one in November that brought the total increase to 17%. The volume of third class mail remained relatively flat during the second and third quarters of 1982, but moved sharply upward in the fourth quarter, probably responding to the same forces that spurred mailings in the first quarter of 1985. The volume fluctuated about a flat trend during the first three quarters of 1982, but then turned upward. The 1983-1984 upswing in total economic activity was accompanied by a rapid expansion in the use of third class mail, bringing the fourth quarter 1984 total 50% above that of the fourth quarter of 1982.

It would appear from this that postal hikes depress demand for some two to four quarters, but are then absorbed because postage costs are but one of many cost factors associated with direct mail advertising.

The lower line of this chart shows the trend of second class mail, largely magazines, with a volume of nearly 40,000 tons per week. There was a significant increase in volume in 1983 and 1984, but the trend since then was essentially flat. The trend suggests that the volume of second class mail was not particularly sensitive to the changes in the postage rates.



A 2500-2

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

MARCH 31, 1988

PRODUCTION (000 TONS)

	FEBRUARY	JANUARY	FEBRUARY	FIRST TWO MONTHS		% CHANGE YR TO DATE
	1988	1988	1987	1988	1987	1988 /.1987
PAPER GRADES						
Newsprint	479	499	441	978	931	5.0
Printing & Writing	1,744	1,811	1,606	3,555	3,298	7.8
Uncoated Groundwood (s)	111	120	127	230	262	-12.0
Coated Paper (s)	592	635	529	1,226	1,097	11.8
Uncoated Free Sheet Paper (s)	917	940	835	1,856	1,711	8.5
Thin Paper (s)	23	20	22	42	44	-3.3
Cotton Fiber Paper (s)	14	13	13	27	26	1.9
Bleached Bristols (s)	89	85	79	173	159	9.1
Tissue Paper	437	446	416	883	854	3.4
Total Pkg & Other Paper	434	440	418	874	878	-0.5
Unbl. Kraft Paper (s)	255	262	260	517	540	-4.3
Other Paper	180	177	158	357	338	5.6
TOTAL PAPER	3,094	3,195	2,881	6,290	5,962	5.5
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,576	1,637	1,420	3,213	2,962	8.5
Unbleached Kraft Linerboard	1,475	1,527	1,314	3,002	2,766	8.5
Other Unbl. Kraft Paperboard	101	110	106	211	197	7.3
Semichemical Paperboard	454	488	439	943	921	2.3
Bleached Paperboard	359	376	343	735	725	1.3
Recycled Paperboard	719	749	669	1,469	1,385	6.1
TOTAL PAPERBOARD	3,108	3,251	2,871	6,359	5,994	6.1
TOTAL PAPER AND PAPERBOARD	6,202	6,446	5,751	12,648	11,956	5.8

WOOD PULP (ALL GRADES)	JANUARY 1988	DECEMBER 1987	JANUARY 1987	First 1988	Month 1987	% Change 87/86
Dissolving & Special Alpha	98	109	108	98	108	-9.2
Bleached Sulfite	117	106	114	117	114	3.0
Unbleached Sulfite	16	15	15	16	15	10.8
Bleached & Semi-Bl. Sulfate	2256	2237	2144	2256	2144	5.2
Unbleached Sulfate	1896	1869	1819	1896	1819	4.2
Semichemical	376	339	371	376	371	1.2
Groundwood & Thermomechanical	512	484	489	512	489	4.7
TOTAL PULP DIVISION DATA	5271	5160	5061	5271	5061	4.2

(s) - Shipments
P - Preliminary

MARCH 31, 1988

	Full Year		I N D U S T R Y D A T A 1987 - 1988	R	P	Ann. Rate Year - To - Date	% From Same Pd. Last Year
PAPER AND PAPERBOARD -- Tons (000)	1986	1987	December	January	February	1988	
Total Production (API).......: excluding :...	70,861	74,453	6,329	6,446	6,202	75,888	5.8
Total Seasonally Adjusted....:construction:...			6,303	6,306	6,300	75,635	3.9
Imports (including Products).: and wet :..E	11,597	12,528	1,010	1,034	1,010	12,261	0.2
Exports (including Products).: machine :..E	4,593	5,197	460	492	495	5,924	19.7
Apparent Consumption.........: grades :...	77,866 a	81,784 b	6,852	6,847	6,815	81,973 c	2.3
Paper Production % Tonnage Capacity...........	93.1 g	94.0	93.5	94.9	97.4	96.1	-
Paperboard Production % Tonnage Capacity......	94.4 g	96.9	94.8	98.3	99.9	99.1	-
			November	December	January		
IMPORTS......:Including Construction and :...	11,936	12,837	1,135	1,028	1,056	12,674	-3.7
EXPORTS.....: WMB Grades (excl. HPB) :...	4,687	5,304	409	469	500	6,006	19.0
			November	December	January		
MARKET WOOD PULP PRODUCTION - Tons (000).........	7,503	8,120	670	723	722	8,668	9.6
TOTAL WOOD PULP PRODUCTION - Tons (000).........	57,017	59,564	4,812	5,160	5,271	63,252	4.2
WOOD PULP IMPORTS - TONS (000)...................	4,502	4,850	401	415	390	4,679	-11.9
WOOD PULP EXPORTS - TONS (000)...................	4,458	4,809	365	527	391	4,687	27.5
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			November	December	January		
Wood Pulp.............:consumption for:.....	56,320	58,717	4,757	5,053	5,166	61.991	2.6
Waste Paper...........:construction & :.....	17,236	18,348	1,554	1,490	1,567	18,808	5.6
TOTAL..........: WMB grades :.....	73,556	77,065	6,310	6,542	6,733	80,798	3.3
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	91,434	93,946	7,401	8,162	8,223	98,676	2.2
EMPLOYMENT (000)			December	January	February		
Paper and Allied Products..........Total......	674.3	678.2	681.2	677.6	677.7	677.7	0.6
Pulp, Paper and Board Mills........Total.....E	248.5	246.2	246.1	245.4	245.3	245.4	-0.7
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)			December	January	February		
Paper and Allied Products.......................	11.14	11.41	11.54	11.52	11.49	11.51	3.0
Pulp, Paper Mills.............................E	13.50	14.00	14.14	14.01	14.07	14.04	2.3
Paperboard Mills..............................E	14.01	14.26	14.33	14.27	14.10	14.19	1.6
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1987 Q3	1987 Q4	1988 Q1		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	8.77	8.96	8.94	10.16	10.25	11.22 Y	1.25
INDEX OF OUTPUT PER MAN-HOUR (1977=100)..........			December	January	February		
:IN PULP, PAPER :...Production Workers...........	131.4	139.0	141.7	143.0	143.4	143.2	4.7
:AND BOARD MILLS:...All Employees................	128.8	136.4	138.5	139.7	139.9	139.8	4.8
PAPER AND ALLIED PRODUCTS (Million $)			December	January	February		
Industry Shipments (Dept. of Commerce)*........	103,916	118,855	10,600	10,777	10,594	128,226	13.9
Pulp, Paper and Paperboard*.....................	44,033	51,518	4,742	4,951	4,858	58,854	19.9
Inventories (End of Period) - Total Industry*..	10,429	11,284	11,284	11,391	11,511	11,511	7.7
Pulp, Paper and Paperboard*.....................	4,115	4,266	4,266	4,245	4,325	4,325	3.8
			1987 Q2	1987 Q3	1987 Q4		
Sales (Corporations Only).......................	74,844	86,603	21,553	22,367	22,742	N.A	N.A
Earnings (Corporations Only)....................	3,280	4,989	1,206	1,433	1,354	N.A	N.A
Depreciation (Corporations Only)................	3,389	3,827	942	988	946	N.A	N.A
Net Worth (Corporations Only)...................	31,221	35,162	32,843	33,843	35,162	N.A	N.A
PRICE INDEXES (Bureau of Labor Stats)1982=100			December	January	February		
Pulp, Paper & Products, ex. Building Grades....	107.5	114.3	117.5	118.9	119.6	119.3	6.6
Wood Pulp.......................................	94.7	111.6	118.4	120.6	127.3	124.0	17:5
Waste Paper.....................................	142.6	181.5	188.0	193.1	189.0	191.1	16.8
Paper...	107.0	111.5	114.7	118.1	118.7	118.4	7.1
Paperboard......................................	106.5	118.1	122.7	122.7	122.8	122.8	7.0
PAPER DEMAND (INDEXED: 1977=100)			December	January	February		
Total Paper Production *........................	127.9	133.2	135.1	135.3	135.4	135.3	3.5
Paper New Supply *..............................	133.6	140.1	140.2	141.6	139.9	140.7	2.4
Demand Indicators - (Weighted Average) *.....	146.7	154.3	157.7	158.9	159.9	159.4	6.4
Production of Nondurable Goods *...(21.2%).	130.1	136.7	140.7	141.2	141.4	141.3	6.4
Disposable Income ....*.(23.9%)	128.9	129.6	131.6	132.0	133.0	132.5	2.5
Total Printing and Publishing *...(54.9%).	160.9	171.9	175.6	177.4	178.7	178.1	7.7
Trend Factor				Not Available			
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *...................	122.0	129.3	131.9	131.9	131.5	131.7	4.3
Production for Domestic Use	118.9	126.6	128.4	129.0	127.7	128.4	3.8
Demand Indicators - (Weighted Average) *.....	121.9	125.9	129.0	129.6	129.7	129.6	5.0
Production of Consumer Goods *...(62.06%)	124.1	127.7	129.5	130.4	130.6	130.5	3.6
Production of Equipment *...(5.75%)	143.7	148.0	153.0	153.9	154.6	154.3	6.6
Production of Materials *...(32.19%)	113.8	118.3	123.9	123.6	123.4	123.5	7.5
Trend Factor				Not Available			
NEWSPRINT MARKETS			November	December	January		
Consumption by Publishers - Tons (000).........	13,158	13,585	1,250	1,160	1,060	12,725	5.9
Newspaper Pub. and Printing Empl. Total(000)...	461	462	470	470	467	467	2.1
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (PIB, Inc.)...........	154,317	155,639	16,826	13,440	9,787	117,446	8.7
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	40,521	47,230	4,277	4,194	4,207	50,484	20.6
Inventories (End of Period).	3,552	3,831	3,724	3,831	3,964	3,964	10.9
FIBRE BOX DATA (Fibre Box Association)			December	January	February		
Fibre Box Shipments (Million square feet).......	283,921	297,431	23,141	24,779	24,679	296,748	4.1
Container'bd Inventory at Mill & Plant(000Tons).	2,238	2,496	2,496	2,659	2,633	2,633	10.1
RETAIL TRADE (Billion $)			December	January	February		
Total Retail Sales *...........................	1,437	1,509	128.8	127.3	120.0	1,532	6.1
Nondurable Goods Stores Sales *...............	899	951	80.6	77.0	76.9	923.8	-0.3
GENERAL ECONOMIC DATA			December	January	February		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	125.1	129.8	133.8	134.2	134.4	134.3	6.0
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1982=100).	100.2	102.8	104.1	104.5	104.6	104.6	3.8
CONSUMER PRICES (ALL ITEMS) (INDEX 1982 = 100)...	109.6	113.6	115.4	115.7	116.0	115.9	4.0
			November	December	January		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	586	621	610.5	621.0	619.8	619.8	6.7
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..			1987 Q2	1987 Q3	1987 Q4		
G.N.P. or Expenditure - Current $..............	4,235	4,488	4,445	4,524	4,604	N.A	N.A
G.N.P. or Expenditure - 1982 $.................	3,713	3,820	3,795	3,836	3,878	N.A	N.A

lb/capita

	Pap&Papbd		Othr		Totl	Popul(mil)
.a -	651	+	18	=	669	241.6
.b -	667	+	17	=	694	243.8
.c -	676	+	17	=	693	244.7

.e - estimated by API

f - Wood Pulp Production excludes def., explo. & scrngs.

g - Adjusted for holiday shutdowns

Q - Quarter

R - Revised

y - Full year estim. by U.S. Dept. of Com.

* - Seasonally Adjusted.

5/17/88

A2500-2

Paper
Paperboard
& Wood Pulp

MONTHLY STATISTICAL SUMMARY - Vol. 66 No. 4 APRIL 1988

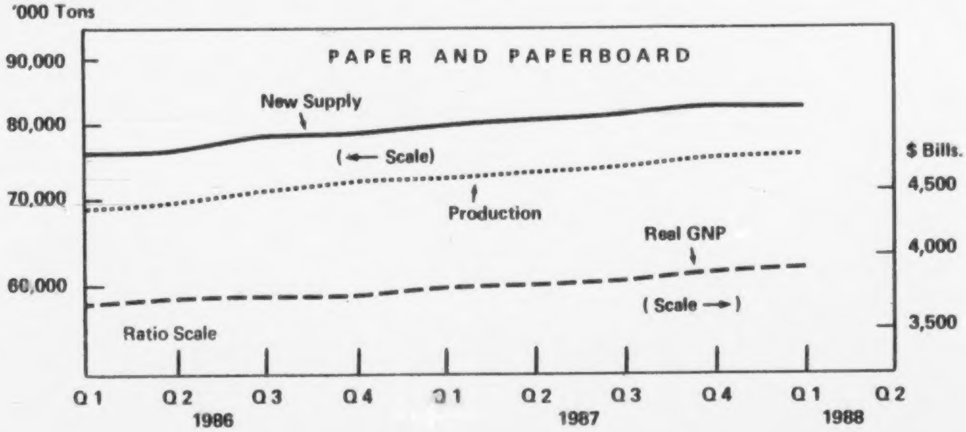
NEW HIGHS IN PAPER AND PAPERBOARD PRODUCTION

Spurred by continued growth in total economic activity, paper and paperboard production moved to new highs in the first quarter of 1988. The total output of paper and paperboard mills reached an record 6,730,000 tons in March 1988, the highest monthly total ever achieved by this industry.

The chart at the bottom of this page summarizes the recent trends, highlighting the strong growth in production and new supply of total paper and paperboard together with the growth in total economic activity as measured by the real gross national product (Real GNP).

The gains were well distributed between paper and paper board. Total paper and paperboard production in the first quarter of 1988, at a seasonally-adjusted rate of nearly 77 million tons per year, was 5.3% ahead of its year-ago seasonally-adjusted rate, with paper up 5.9%, paperboard, 4.6%.

Paper: The growth leaders in paper production continue to be newsprint and printing and writing papers. U.S. newspapers used newsprint at the rate of 13.7 short tons per year in the first quarter of 1988, holding close to the trend established during the last six months of 1987, but exceeding the year-ago rate by 3.3%.



Continued on page 2

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Shipments of coated papers soared 15% above their year-ago level in the first quarter of 1988, paced by major increases in demand at magazine and other publishers. Commercial printers, who had been the mainstay of the robust demand for these papers in 1987, continued to show strong increases in their appetites for coated papers.

Commercial printers also used more uncoated free sheet papers in the first quarter of 1988. A special report tracing some of the longer terms forces affecting commercial printing activity is included at the end of this issue.

Demand for uncoated free sheet papers by the other major users -- business forms, office copy and paper and book publishing increased at a relatively moderate rate.

Paperboard: Consumers also demanded record quantities of paperboard packaging materials in the first quarter of 1988. Containerboard grew the most. First quarter shipments of fiber boxes were 6.1% ahead of their year-ago level. Production of consumers non-durable goods -- a major market for paperboard packaging material -- rose by 5.3%.

Production of containerboard for domestic use gained 6.3% and production of boxboard for domestic use 2.5% over first quarter year-ago levels.

The U.S paper industry's competitiveness is reflected in strong export demand. Paperboard production for export, at 3.4 million tons per year, showed a strong 15% increase in this period. The increase was largely concentrated in kraft linerboard production for export, which, at 2.6 million tons per year, was 21% above its year-ago total.

SALES AND EARNINGS

The high levels of demand for paper and allied products in the first quarter of 1988 were fully reflected in the sale and earnings total reported by paper and paper related companies for that period.

Data on 25 companies reported in the press showed sales gains of 21% from year-ago levels for the first quarter of 1988, while their after-tax earnings rose 72%. These increases brought the ratio of after-tax earnings of sales to a historically-high 7.6%, compared to 5.4% in the year-earlier period. Similar data for four lumber and wood products companies with major paper and/or paperboard capacity indicated a 14.4% increase in sales and a 26.4% increase in earnings.

Continued on page 11

PAPER AND PAPERBOARD STATISTICS

PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

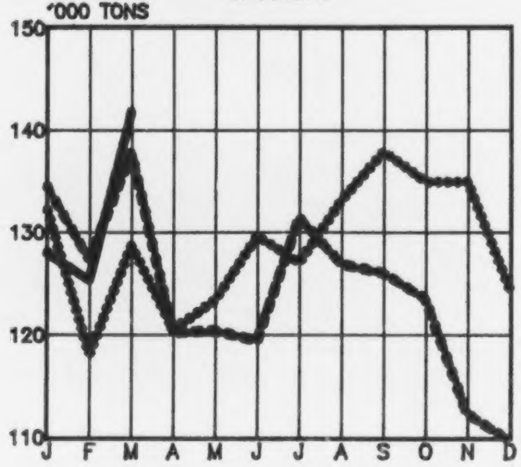
	YEAR 1986	YEAR 1987	DECEMBER 1987 (P)	JANUARY 1988 (P)	FEBRUARY 1988 (P)	MARCH 1988 (P)	Annual Rate Y-T-D 1988	% Change From same Period Last Year
PAPER								
Newsprint - Production	5,630	5,842	499	499	479	510	5,950	5.8
- Shipments	5,638	5,854	508	482	479	505	5,866	4.7
Printing & Writing Sum	19,625	20,795	1,782	1,826	1,759	1,942	22,104	9.9
Groundwood Paper - Shipments	1,540	1,491	111	128	125	142	1,582	-0.7
- New Orders	1,553	1,548	130	133	134	134	1,603	-1.6
-Unfilled Orders	124	181	181	177	193	193	193	61.1
Coated Papers - Shipments	6,263	6,860	588	635	593	653	7,522	14.9
- New Orders	6,334	7,098	611	624	584	644	7,406	14.9
- Unfilled Orders	469	734	734	693	690	717	717	58.8
Unctd Free Sheet - Shipments	10,410	10,980	959	944	918	1,019	11,522	9.6
- New Orders	10,485	11,192	978	945	915	1,031	11,565	10.6
- Unfilled Orders	587	777	777	733	747	808	808	52.3
Thin Papers - Shipments	271	251	23	19	24	19	249	-4.6
Cotton Fiber Paper - Shipments	152	162	12	13	14	15	169	1.9
Bleached Bristols - Production RS	990	1,051	89	86	85	94	1,059	3.0
Tissue Paper - Production	5,095	5,301	449	446	437	474	5,428	4.3
Total Packaging & Other Paper	5,117	5,068	432	440	435	454	5,316	0.2
Unbl. Kraft Paper - Shipments	3,303	3,075	261	262	255	262	3,118	-4.3
Other Paper - Production	1,814	1,993	171	177	180	192	2,198	7.3
TOTAL PAPER-Production-Unadj.	35,466	37,005	3,163	3,209	3,110	3,380	38,797	7.0
-Production-S.A.			3,176	3,192	3,208	3,224	38,497	5.9
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	27,336	28,900	2,474	2,501	2,391	2,576	29,872	5.9
Total Unbl. Kraft Paperboard	17,689	18,888	1,644	1,637	1,566	1,696	19,595	8.4
Unbl. Kraft Linerboard (1)	16,402	17,608	1,518	1,527	1,465	1,575	18,269	8.6
Production for Export	2,246	2,268	217	205	218	225	2,591	21.0
Other Unbl. Kraft Paperboard	1,287	1,281	126	110	101	121	1,326	5.4
Semichemical Paperboard	5,376	5,606	449	488	454	492	5,739	1.6
Production for Export	213	186	12	10	11	15	144	-25.0
Solid Bleached Paperboard	4,271	4,406	382	376	370	388	4,537	1.6
Production for Export	569	564	47	49	51	53	610	-0.2
Recycled Paperboard	8,083	8,594	710	749	718	774	8,965	5.8
Production for Export	70	60	6	4	8	7	78	157.9
TOTAL PAPERBOARD-Prod.-Unadj.	35,419	37,493	3,184	3,251	3,108	3,349	38,831	5.9
- Containerboard Prod.(Dom. Use)	21,426	23,026	1,922	1,999	1,889	2,038	23,702	6.3
- Boxboard Prod.(Dom. Use) (2)	5,903	6,178	523	538	512	543	6,372	2.5
- All Other P'bd Prod.(D.U.) (2)	4,992	5,210	457	446	427	468	5,364	3.2
- Total Paperbd Prod. for Export	3,097	3,079	282	268	287	301	3,423	15.1
TOTAL PAPERBOARD PROD.- S.A.			3,190	3,194	3,196	3,197	38,350	4.6
TOTAL PAPER AND PAPERBOARD								
Production - Unadj. (R)	70,885	74,498	6,347	6,460	6,218	6,730	77,628	6.5
Production - S.A.			6,366	6,387	6,404	6,421	76,847	5.3

(1) Includes all exports of kraft paperboard. R - Revised P - Preliminary S.A. - Seasonally Adjusted

(2) Data for unbl. kraft folding boxboard incl. in All Other P'bd. RS - Revised Series after 1986.

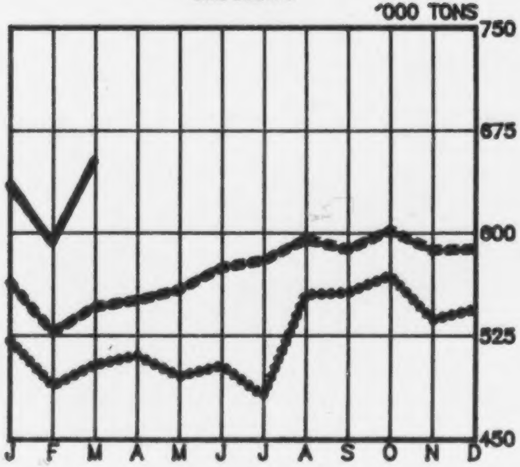
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



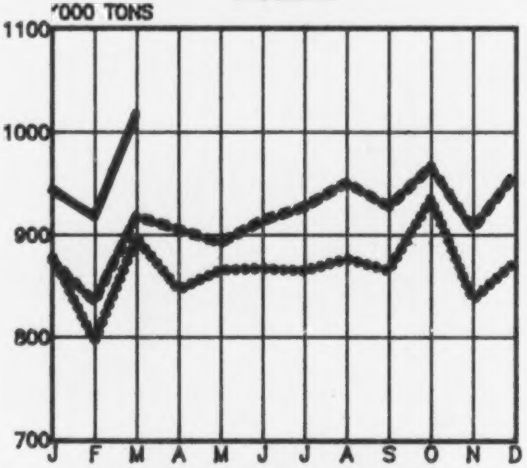
COATED PAPER

SHIPMENTS



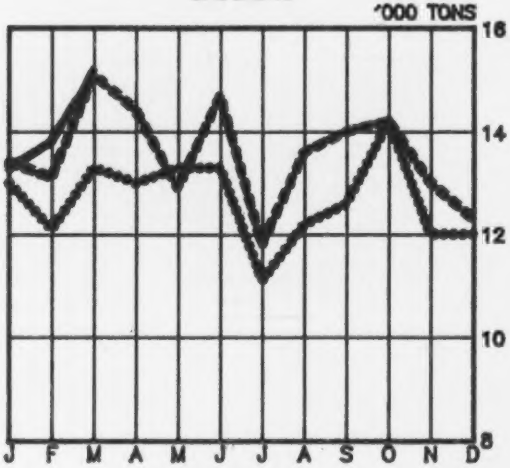
UNCOATED FREE SHEET PAPERS

SHIPMENTS



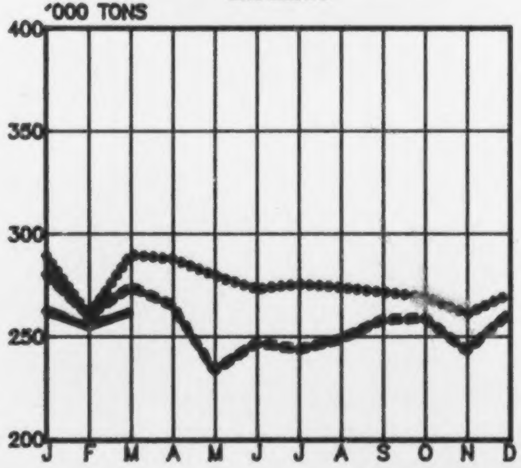
COTTON FIBER PAPER

SHIPMENTS



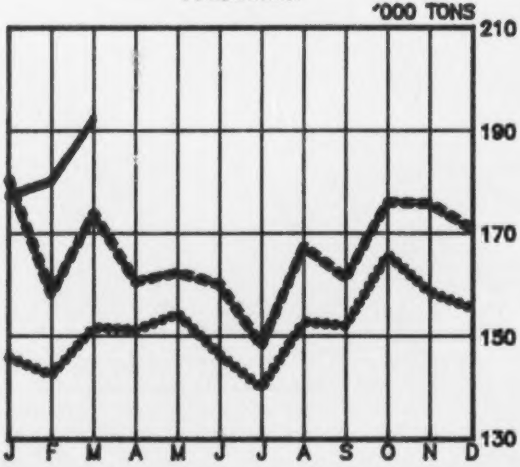
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1986 ········ 1987 ━ ━ ━ 1988 ━━━━

WOOD PULP STATISTICS
(Thousands of Tons)

		YEAR 1986	YEAR 1987	NOVEMBER 1987	DECEMBER 1987	JANUARY 1988	FERBRUARY 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
TOTAL WOOD PULP						R	P		
Total Wood Pulp	- Production	57,017	59,564	4,812	5,160	5,276	4,920	61,175	5.4
	- Imports	4,582	4,850	401	415	390	429	4.912	-1.8
	- Exports	4,458	4.889	365	527	391	444	5,009	23.1
	- New Supply	57,140	59,525	4,848	5.048	5.276	4,904	61,079	3.6
Dissolving Pulp	- Production	1,258	1,312	137	109	98	116	1,288	3.9
	- Imports	255	198	9	9	20	21	246	34.1
	- Exports	711	752	61	72	67	41	651	-8.7
	- New Supply	801	757	85	45	52	95	883	24.2
Paper Grades Chemical Pulp	- Production	46,081	48,293	3,851	4,227	4,285	3,981	49,600	5.5
	- Imports	4,220	4,456	376	378	353	374	4.366	-7.5
	- Exports	3,689	4,111	301	449	322	401	4,337	29.6
	- New Supply	46,612	48,637	3,925	4,156	4,316	3,955	49,628	2.6
Groundwood and Thermo-Mech.	- Production	5,487	5,714	472	484	517	472	5.936	6.9
	- Imports	108	197	17	28	16	34	301	201.7
	- Exports	59	26	3	5	1	2	21	101.3
	- New Supply	5,536	5,885	486	507	532	504	6.216	10.1
Semi-Chemical	- Production	4,191	4,246	352	339	376	350	4,352	3.4
	- Imports								
	- Exports								
	- New Supply	4,191	4,246	352	339	376	350	4.352	3.4
MARKET WOOD PULP									
Total Market Wood Pulp	- Production	7,514	8,128	670	723	722	687	8,458	11.7
	- Imports	3,122	3,235	260	293	272	289	3,363	17.2
	- Exports	4,470	4,820	317	531	363	400	4.577	16.5
	- New Supply	6,166	6,543	613	485	631	576	7,244	11.2
Dissolving Pulp	- Production	1,234	1,308	137	109	98	116	1,288	4.8
	- Imports	212	154	8	8	19	19	227	59.3
	- Exports	718	775	47	88	57	45	610	-4.8
	- New Supply	728	687	99	29	61	90	905	23.8
Paper Grades Chemical Pulp	- Production	6,264	6,806	532	613	623	570	7,153	13.0
	- Imports	2,831	2,975	246	272	245	246	2,946	9.5
	- Exports	3,752	4,045	270	443	306	355	3,967	20.6
	- New Supply	5,343	5,736	508	442	562	460	6,132	7.0
Groundwood Pulp and All Other	- Production	16	14	1	1	2	1	17	26.1
	- Imports	79	106	6	14	8	24	190	434.0
	- Exports	0	0	0	0	0	0	1	0.0
	- New Supply	96	120	7	15	9	26	207	319.0

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

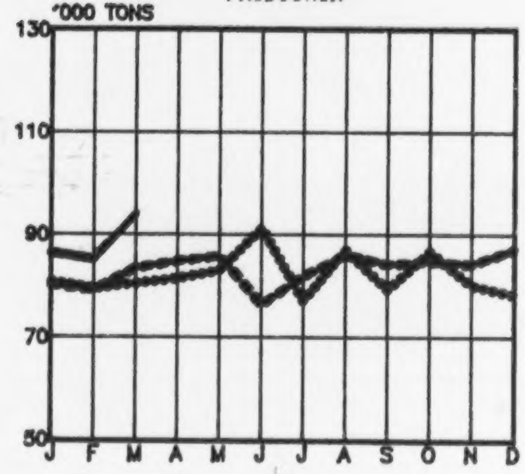
FIBROUS RAW MATERIALS
(Thousands of tons)

CONSUMPTION AT PAPER & PAPERBOARD MILLS					R	P		
Total	74,308	77,836	6,372	6,608	6.798	6,431	79,374	4.6
Total Wood Pulp	57,072	59,488	4,019	5,119	5,231	4,926	60.944	4.4
Waste Paper	17,236	18,348	1,553	1,489	1,567	1,504	18,430	5.4
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers' Own-Use Inventories	174	170	162	170	162	165	165	-16.9
Producers' Market Inventories	284	224	290	224	292	265	265	-21.6
Consumers' Purchased Inventories ‡	496	529	499	529	508	503	503	0.4
Waste Paper at Paper & Bd. Mills	838	887	817	887	847	847	847	9.3
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	16	12	15	12	15	13	13	-31.6

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API. ‡ Includes all grades of wood pulp.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons

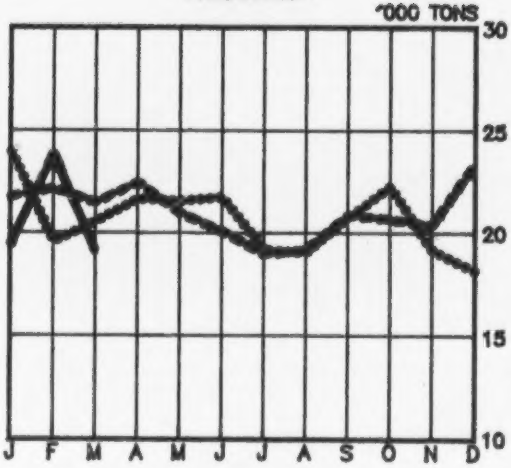
BLEACHED BRISTOLS

PRODUCTION



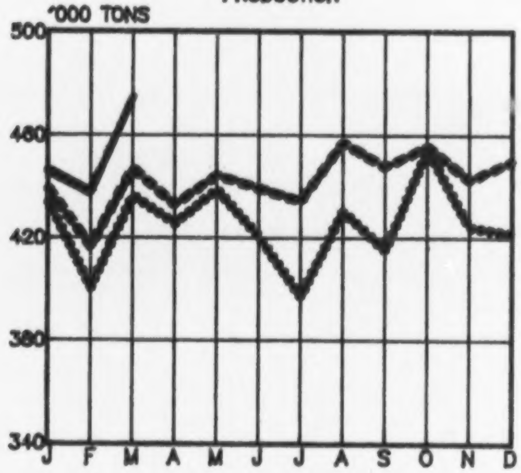
THIN PAPER

PRODUCTION



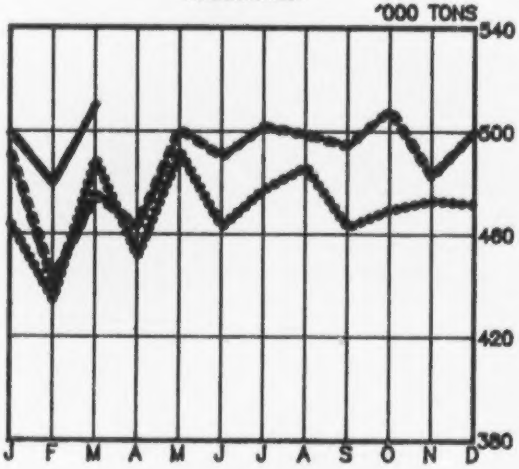
TISSUE PAPER

PRODUCTION



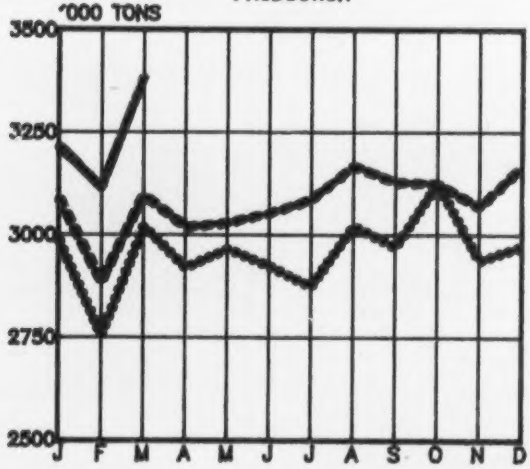
NEWSPRINT

PRODUCTION



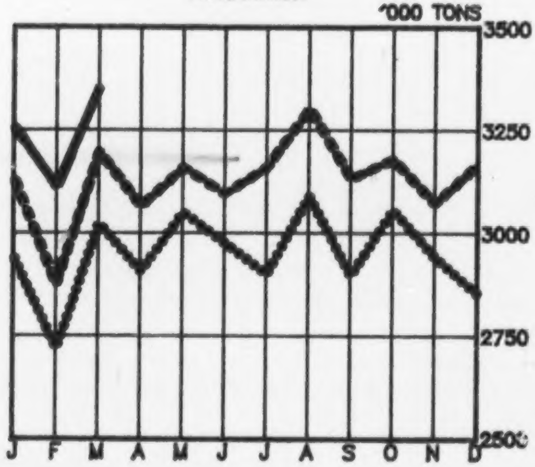
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1986 ▪▪▪▪▪▪▪▪ 1987 ●●●●●● 1988 ▬▬▬▬

FIBROUS RAW MATERIALS
(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1986	YEAR 1987	NOVEMBER 1987	DECEMBER 1987	JANUARY 1988	FEBRUARY 1988	Annual Rate Y-T-D 1988	% Change From Same Period Last Year
PULPWOOD									
Total U.S.	- Total Receipts	90,943	94,312	7,227	8,003	7,737	7,924	93,966	-0.7
	- Total Consumpt	91,434	93,946	7,401	8,162	8,223	7,743	95,796	2.4
	- Residues *	32,755	32,899	2,649	2,702	2,585	2,756	32,046	-0.9
	- Inventories	4,794	5,096	5,211	5,096	4,629	4,777	4,777	-2.5
So. Atlantic	- Total Receipts	29,513	31,147	2,462	2,660	2,554	2,561	30,690	3.2
	- Total Consumpt	29,425	30,915	2,466	2,692	2,684	2,521	31,230	3.2
	- Residues *	9,343	9,553	820	820	810	837	9,802	8.6
	- Inventories	994	1,211	1,240	1,211	1,025	1,070	1,070	25.0
Northeast	- Total Receipts	7,277	6,941	513	598	607	606	7,278	-10.1
	- Total Consumpt	7,227	7,109	559	578	644	582	7,356	-4.1
	- Residues *	1,419	1,543	126	131	118	129	1,482	-13.9
	- Inventories	484	594	507	594	598	647	647	19.4
South Central	- Total Receipts	31,790	33,650	2,564	2,968	2,637	2,771	32,448	-1.3
	- Total Consumpt	32,113	33,059	2,582	2,996	2,818	2,742	33,360	2.5
	- Residues *	9,792	9,992	771	804	745	836	9,486	-6.6
	- Inventories	926	1,294	1,317	1,294	1,066	1,085	1,085	19.2
North Central	- Total Receipts	6,571	6,552	487	573	675	666	8,046	1.5
	- Total Consumpt	6,730	6,764	563	560	652	557	7,254	7.5
	- Residues *	1,042	1,263	117	152	167	97	1,584	61.0
	- Inventories	892	830	815	830	873	989	989	-13.9
West	- Total Receipts	15,792	16,022	1,201	1,204	1,264	1,320	15,504	-2.0
	- Total Consumpt	15,939	16,899	1,231	1,336	1,425	1,341	16,596	1.0
	- Residues *	11,159	10,540	815	795	745	857	9,612	-7.4
	- Inventories	1,498	1,167	1,324	1,167	1,067	986	986	-31.7

* - Consumption of Residues in Cord Equivalents. SOURCE: American Pulpwood Association 20-Apr-88

UNITED STATES TRADE WITH CANADA

IMPORTS FROM CANADA

	YEAR 1987 Tons	YEAR 1987 ($000's)	JANUARY 1988 Tons	JANUARY 1988 ($000)	FEBRUARY 1988 Tons	FEBRUARY 1988 ($000)	Annual Rate Y-T-D 1988 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 120 cubic feet)	15,382	1,736	1,501	159	3,276	412	28,662	1662.7
Pulpwood chips	487,147	15,250	74,670	2,065	69,403	1,920	864,486	246.0
Wood Pulp, Total	4,320,114	1,842,019	345,944	165,197	362,375	176,727	4,249,914	-9.9
Waste Fibrous Materials, Total	186,286	36,423	19,504	4,294	19,864	4,530	236,210	40.1
Paper, Board & Products, Total	10,588,047	5,093,903	886,959	460,213	850,766	462,997	10,426,351	-1.4
Paper, Paperboard, Wet Machine Bd. & Constr. Paper & Bd.	10,441,472	4,845,663	875,710	440,803	837,116	430,609	10,277,002	-1.4
Paper, Paperboard & Products	10,365,412	5,027,943	870,630	455,385	837,504	450,694	10,248,808	-0.9
Paper & Paperboard, Only	10,218,838	4,779,702	859,389	435,975	823,854	434,307	10,099,459	-0.9
Paper, Total	9,961,198	4,698,148	836,335	428,143	801,988	426,771	9,829,937	-1.1
Newsprint	8,588,309	3,956,147	708,669	354,393	675,292	350,325	8,303,766	-4.5
Printing, Writing & Rel. Pap.	1,111,641	601,978	101,539	59,814	102,720	62,334	1,225,553	27.4
Pack. & Ind. Conv. Paper	215,514	102,986	22,338	10,849	18,006	9,049	242,060	0.1
Special Industrial Paper	5,478	9,844	241	407	541	942	4,691	-31.4
Tissue Paper	40,257	27,194	3,549	2,680	5,429	4,120	53,868	66.3
Paperboard, Total	257,639	81,554	23,054	7,832	21,866	7,536	269,522	4.6
Convtd Paper&Paperbd Products	146,575	248,241	11,241	19,411	13,650	24,388	149,348	0.3
Wet Machine Board	2,890	1,977	274	189	238	163	3,071	13.2
Construction Paper & Board	219,744	63,983	16,054	4,638	13,024	4,139	174,472	-22.5

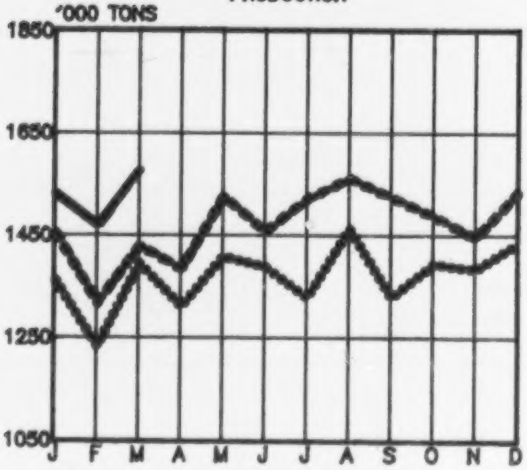
EXPORTS TO CANADA

Pulpwood, Roundwood (in cords of 120 cubic feet)	12,617	770	351	16	325	20	4,056	-37.4
Pulpwood chips	61,575	4,014	778	36	3,710	243	26,920	-72.4
Wood Pulp, Total	198,921	75,956	20,771	8,616	18,455	7,751	235,356	36.2
Cotton Pulp & Other Pulp	58,288	14,775	9,093	1,838	7,861	1,905	101,724	183.1
Waste Paper	286,898	30,592	17,790	2,173	23,374	2,592	247,032	13.3
Paper, Board & Products, Total	957,434	598,429	179,386	87,355	91,203	60,143	1,623,529	94.1
Paper, Paperboard, Wet Machine Bd. & Constr. Paper & Bd.	712,494	398,256	163,791	70,693	66,765	39,446	1,383,334	113.2
Paper, Paperboard & Products	920,755	581,481	176,790	86,137	87,884	58,687	1,588,090	97.1
Paper & Paperboard, Only	675,815	381,308	161,204	69,475	63,445	37,990	1,347,895	117.9
Paper, Total	297,585	250,807	29,560	22,335	32,775	24,774	374,053	16.9
Newsprint	4,525	3,728	238	230	269	235	3,039	-42.0
Printing, Writing & Rel. Pap.	151,716	125,667	12,301	11,417	14,743	12,697	162,266	10.6
Pack. & Ind. Conv. Paper	25,826	17,841	3,058	1,851	4,458	2,444	45,094	58.9
Special Industrial Paper	110,107	97,380	13,537	8,285	12,830	8,598	158,252	15.7
Tissue Paper	5,411	6,490	434	750	467	799	5,402	90.1
Paperboard, Total	378,230	130,501	131,636	47,141	30,671	13,216	973,843	226.1
Convtd Paper&Paperbd Products	244,940	200,173	15,594	16,662	24,438	20,697	240,195	20.2
Wet Machine Board	10,212	4,828	687	269	740	294	8,559	-27.3
Construction Paper & Board	26,467	12,120	1,901	948	2,579	1,162	26,880	44.3

SOURCE: Bureau of Census, Department of Commerce E - Estimate of tonnage based on square foot data 20-Apr-88

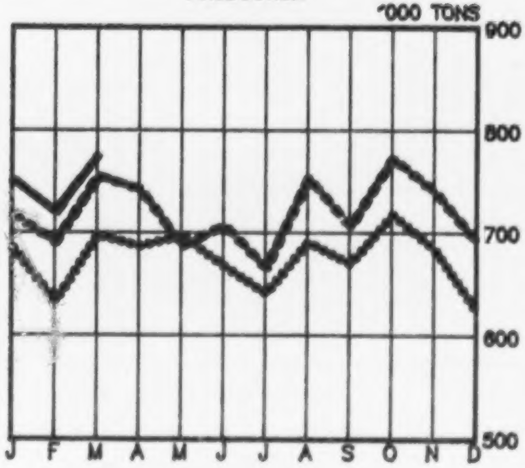
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



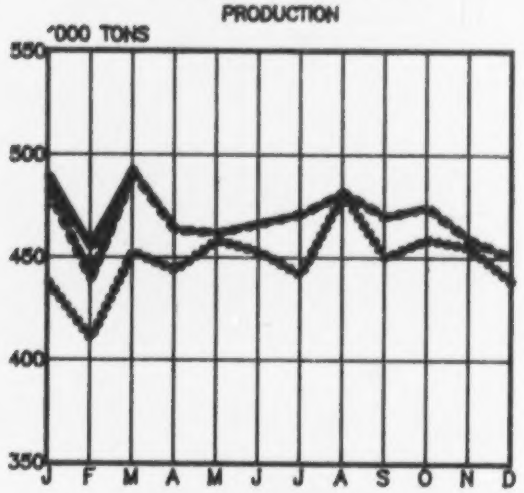
RECYCLED PAPERBOARD

PRODUCTION



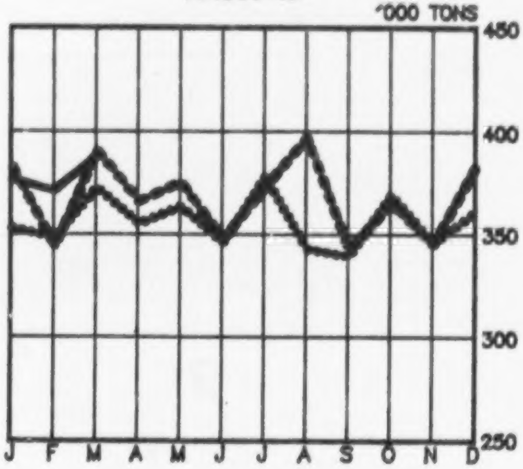
SEMICHEMICAL PAPERBOARD

PRODUCTION



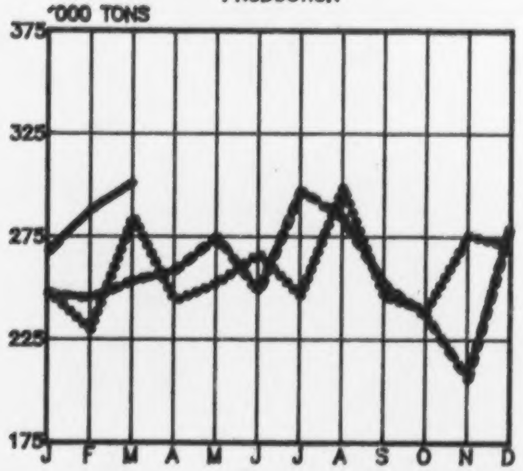
SOLID BLEACHED PAPERBOARD

PRODUCTION



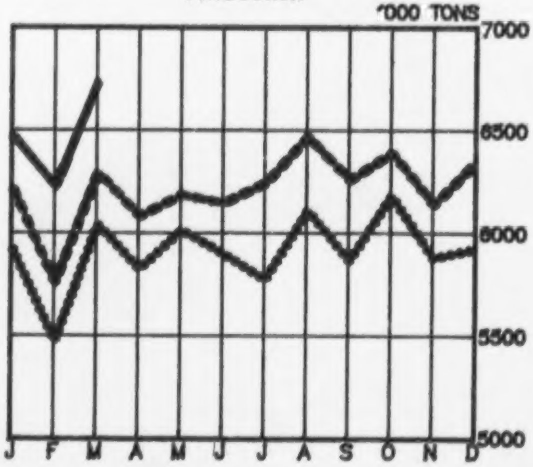
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1986 ········ 1987 ═════ 1988 ━━━━

I M P O R T S

	YEAR 1987		1987		1988		(1) Annual Rate YTD 1988	% Change from same Period Last Year
	Tons	$000	JANUARY Tons	JANUARY $000	FEBRUARY Tons	FEBRUARY $000	Tons	
• • • •								
Pulpwood Roundwood (cords)	15,432	1,746	1,501	159	3,276	412	20,662	1500.4
Pulpwood Chips	525,629	15,476	75,171	2,005	70,284	1,940	872,730	240.3
Total All Imports	17,091,172	9,043,600	1,467,238	790,464	1,401,801	838,006	17,694,715	-0.2
Wood Pulp Total	4,850,238	2,069,389	389,927	187,160	428,772	206,496	4,912,194	-1.0
Waste Paper	127,398	19,231	14,592	2,694	15,292	3,051	179,304	82.2
Other Fibrous Materials	76,491	27,287	6,548	2,422	6,073	2,153	75,728	-10.0
Paper Board & Products Total	12,837,046	6.927,693	1,056,171	598.108	1,031,744	626,300	12,527,409	-0.2
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	12,435,486	5,995,122	1,026,365	529,506	997,002	543,031	12,145,000	0.1
Paper Ppbd & Prds ex Cnst&WMB	12,527,598	6,828,736	1,033,578	591,355	1,012,291	619,889	12,275,219	0.3
Paper & Paperboard Only	12,126,039	5,896,165	1,003,773	522,754	978,349	536,620	11,892,730	0.5
Paper Total	11,765,200	5,760,703	976,974	513,100	950,022	525,877	11,561,978	1.4
Newsprint	8,986,548	4,121,327	726,837	361,770	697,294	360,620	8,544,786	-4.3
Printing & Writing	2,410,216	1,412,450	214,449	129,990	219,447	142,490	2,603,375	25.7
Uncoated Groundwood	1,269.774	654,767	114,460	57.941	112,691	64,529	1,362,954	30.5
Coated Print.& Impreg. Pap.	674,531	467,865	53,207	41,123	54,106	42,470	643,878	11.9
Uncoated Free Sheet	417,395	249,943	43,560	20.001	46.806	31,004	542,245	37.7
Uncoated Book	210.624	119,775	19,671	11,806	15,611	10,020	211,691	24.7
Writing and Similar Paper	206,771	130,168	23,097	16.195	31,195	21,064	330,554	47.5
Thin (except Cigarette)	47,567	30,031	3,091	2,725	5,007	4,363	53,307	-6.0
Bristols	950	1,052	114	120	30	44	911	-6.8
Total Pkg & Other Paper	310,324	191,620	30,699	10,165	25,042	16,204	334,440	-1.6
Unbleached Kraft Paper	160,420	69,828	15,183	6.786	13,070	6,011	169,521	-3.2
Other Pkg. & Indust. Paper	141,904	121,792	15,516	11,379	11,972	10,193	164,927	0.1
Tissue	58,121	43,299	4,989	3,254	8,239	6.565	79,360	35.9
Paperboard, Total	360,831	127,461	26,799	9,566	28,326	10,743	330,752	-23.4
Test or Containerboard	80,981	29,352	7.528	3,183	6,592	2,000	84,717	-0.6
Semi-Chemical Corrugating	120,636	33,098	12,500	3,401	11,563	3,240	144,420	11.6
Other Paperboard	151,214	64,211	6,763	2,901	10,172	4,614	101,600	-51.6
Convtd Paper&Paperbd Products	401,559	932,571	29,806	68,602	33,943	83,269	382,489	-6.9
Paper Products, Total	368,179	866,121	26,949	63,914	31,470	78,548	350,510	-6.9
Paperboard Products, Total	33,380	66,450	2,857	4,688	2,473	4,722	31,979	-7.4
Wet machine Board	3,463	2,630	296	221	374	319	4,021	29.3
Construction Paper & Board	305,985	96,320	22,296	6,612	19,079	6,093	240,249	-17.9
Notes								
Other: No Weight Avail. ($000)		201,453		13,900		15,537	176,671	-5.0
Total Imports Incl. Other($000)		9,245,053		804,372		853.537	9.947,456	13.2

E X P O R T S

Pulpwood, Roundwood (cords)	16,178	913	351	16	1.075	53	(1) 8,556	-20.7
Pulpwood Chips	2,546,467	188,459	126,596	8,782	268,473	20,607	2,370,414	10.4
Total All Exports	14,797,437	6,007,818	1,327,124	543,554	1,340,116	580,006	16,051,441	22.5
Wood Pulp,Total	4,889,331	2,259,377	390,675	191,010	444,171	228,194	5,009,076	23.1
Cotton Pulp and Other Pulp	102,001	91,365	10,836	8,671	23,509	11,200	254,070	73.5
Waste and Old Paper	4,422,139	553.340	417,137	51,490	414,260	53,950	4,900,430	30.2
Paper, Board & Products,Total	5,303,966	3,103,720	500,476	291,560	466,160	294,646	5,799,065	14.6
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	4,570,770	2,280,329	444,256	221,172	401,531	213,635	5,074,721	15.1
Paper, Ppbd & Prod ex Cnst&WMB	5,196,613	3,044,506	492,262	287,790	454,575	289,269	5,681,019	14.0
Paper & Paperboard, Only	4,471,410	2,221,107	436,041	217,402	389,938	200,257	4,955,075	15.3
Paper, Total	921,397	776,181	76,479	68,226	90,228	74,014	1,000,243	17.0
Newsprint	339,773	210,093	23,197	17,270	29,611	20,130	316,069	-7.1
Printing & Writing	249,092	242,639	20,107	21,074	23,376	22,903	261,376	27.0
Uncoated Groundwood	55,841	39,750	3,727	3,525	5,743	4,767	56,022	30.1
Clay Coated Paper	100,839	72,145	8.042	6.142	9,509	7,513	105 785	28.0
Uncoated Free Sheet	67,858	99,330	5,848	8,537	5,603	7,872	68,705	23.7
Other Printing & Writing	24,554	31,414	2,570	2,070	2,441	2,752	30,064	32.9
Total Pkg. & Other Paper	294,201	292,659	29,911	26,063	33,168	27,973	378,475	32.2
Unbleached Kraft	89,194	40,758	6,968	3,483	9,953	4,661	101,524	38.7
Other Pkg. & Indust. Paper	205,007	251,901	22,943	22,580	23,215	23,312	276,951	30.0
Tissue	38,332	30,790	3,184	3,812	4,073	2,999	43,543	153.8
Paperboard, Total	3,550,021	1,444,926	359,562	149,176	299,710	134,243	3,955,633	14.7
Solid Wood Pulp	3,210,952	1,321,618	334,844	139,045	278,428	123,167	3,679,626	14.4
Total Linerboard	2,296,633	812,161	162,081	61,560	182,104	68,677	2,069,908	-10.3
Bleached Kraft Linerboard	102,266	46,429	12,852	6,635	14,198	6,591	162,304	277.2
Unbleached Kraft Linerbd	2,194,367	765,731	150,029	54.925	167,905	62,086	1,907,604	-15.0
Other Unbleached Kraft	210,566	78.596	114,768	41,828	33,927	12,367	892,171	360.7
Other Bleached Kraft	647,803	407,923	51,191	33,259	57,995	40,382	655,114	2.0
Semi-Chemical Corrugating	63,951	22,938	6.003	2,398	4,403	1,741	62,434	-20.9
Recycled Paperboard	331,069	123,300	24,719	10,131	21,283	11,076	276,007	10.5
Convtd Paper&Paperbd Products	725,196	823,399	56,221	70,396	64,637	81,011	725,144	11.4
Paper Products, Total	301,202	540,601	23,437	43,083	27,192	52,736	303,776	15.5
Paperboard Products, Total	423,994	282,718	32,783	26,512	37,445	28,275	421,360	8.7
Wet Machine Board	17,328	7,816	953	407	1,053	419	12,032	-40.5
Construction Paper & Board E	90,024	51,405	7,262	3,362	10,541	4,958	106,813	23.3
Notes								
Other: No Weight Avail. ($000)		8,037		521		968	8,932	49.5
Total Exports Incl. Other($000)		6,015,855		544,074		580,974	6,798,292	31.8

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description.

PRODUCER PRICE INDEXES

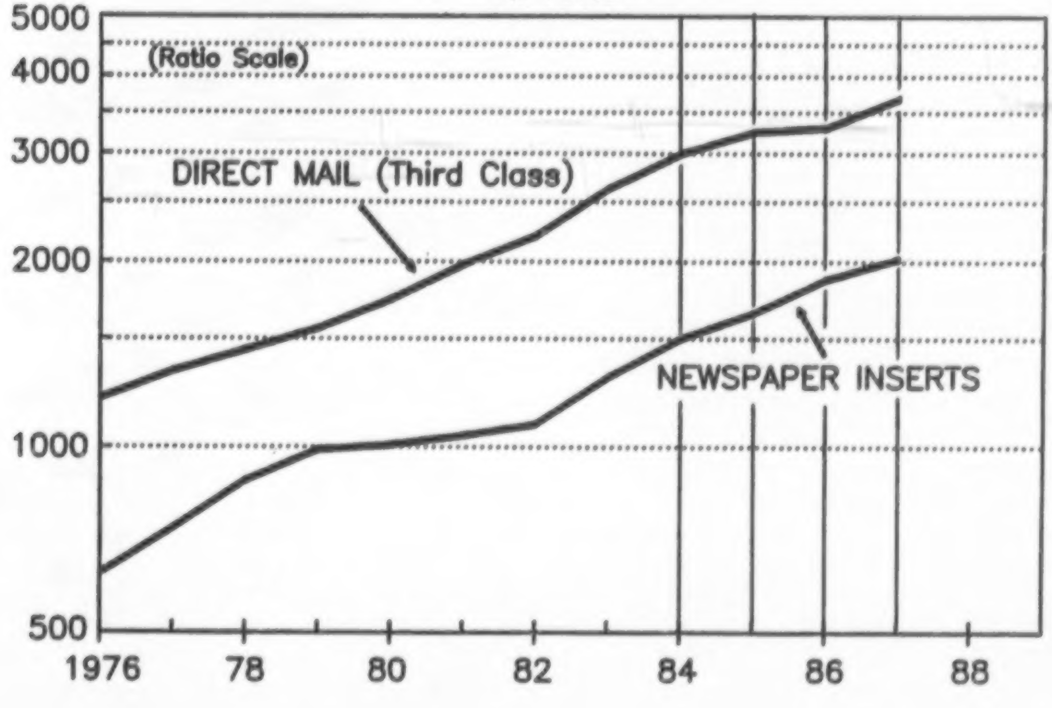
1982 = 100

	1986	1987	DECEMBER 1987	JANUARY 1988	FEBRUARY 1988	MARCH 1988	Annual Rate Y-T D 1988	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	107.5	114.3	117.5	118.9	119.6	120.6	119.7	6.8
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	106.9	113.2	116.3	117.6	118.4	119.4	118.5	6.6
Total Wood Pulp	94.7	111.5	118.4	120.6	127.3	126.3	124.7	17.5
Total Paper	107.0	111.5	114.7	118.1	118.7	119.7	118.8	7.9
Total Paper, exc. Newsprint	107.9	110.6	114.4	118.1	118.6	119.0	118.6	7.5
Newsprint	103.3	112.3	116.6	125.4	126.7	127.0	126.4	16.7
Total Paperboard	106.5	118.1	122.7	122.7	122.8	127.1	124.2	8.0
Total Paper and Paperboard *	106.8	113.6	117.2	119.5	120.0	122.0	120.5	7.9
Converted Products	109.4	114.7	117.1	117.8	118.3	118.9	118.3	4.8
Waste Paper	142.6	181.5	188.0	193.1	189.0	190.5	190.9	13.8
All Commodities	100.2	102.8	104.1	104.5	104.6	104.9	104.7	3.7
Industrial Commodities	100.0	102.6	104.1	104.3	104.4	104.7	104.5	3.7

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

ANNUAL PAPER CONSUMPTION FOR DIRECT MAIL AND NEWSPAPER INSERTS

M TONS



Source: Printing - Writing Paper Division

FIBROUS MATERIALS

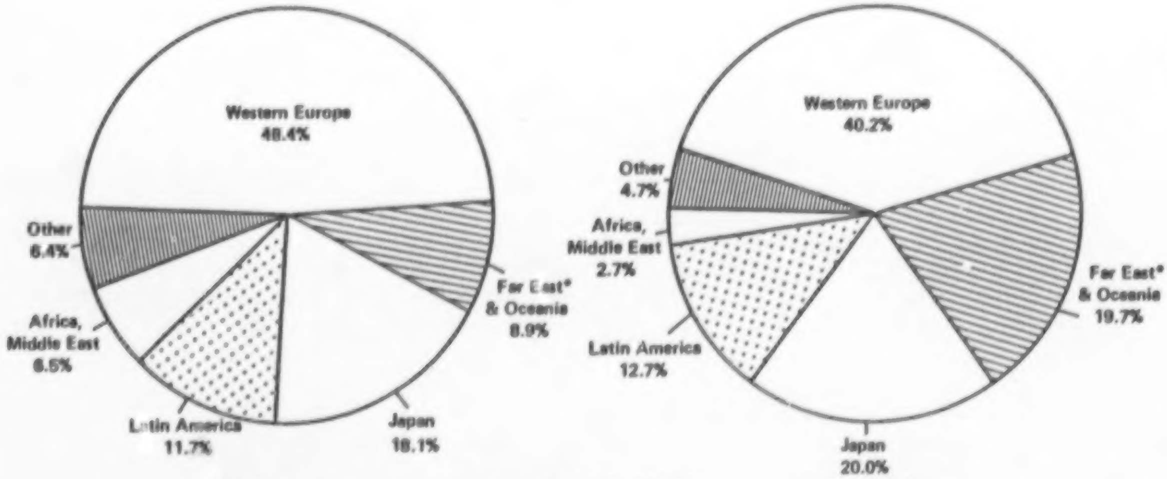
Strong domestic and foreign demand is keeping U.S. market pulp mills operating at full capacity. With March production at 721,000 tons, market pulp output closed the first quarter of 1988 9.3% higher above the year earlier level. Producer's inventories of market pulp changed little during the quarter, ending with a relative low 12 days of supply.

The export market has been an increasingly important sector for U.S. market pulp producers. Market pulp exports accounted for 60% of total U.S. market pulp production in 1987, up from 55% in 1977. During this 10-year period some noticeable distribuional changes have occurred, but the overall ranking of the major export regions was not altered very much.

The charts below picture the distribution of wood pulp exports in 1977 and 1987. The major shifts were the increase of percentage of shipments to the Far East and Oceania and the declines in the percentages of Western Europe, Africa and the Middle East.

WOOD PULP EXPORTS

Percent Distribution of U.S. Exports by Major Area of Destination



1977

2, 946, 052 Tons

*Includes People's Republic of China

American Paper Institute
International Department

1987

4, 889, 331 Tons

Percentages may not add due to rounding.

Continued on page 12

COMMERCIAL PRINTING PAPER DEMAND

U.S. paper shipments to commercial printers rose at an average annual rate of 6.6% between 1981 and 1987, making commercial printing one of the paper industry's fastest growing end-use markets. As a result of that rapid growth, commercial printing's share of total U.S. printing-writing paper shipments expanded from 25.9% in 1981 to 28.8% last year. Recent performance patterns have also been strong. After sagging 2.2% in 1985, a decline that was largely as the result of inventory liquidation by printers, domestic paper shipments to commercial printers increased 5.4% in 1986 and nearly 11% last year. The rate of paper shipments to commercial printers remained near their late 1987 record highs during first quarter of this year.

Commercial printers produce a wide range of printed materials, but some 60% of their total output is advertising-related. Included in this category are catalogs, shopping flyers, newspaper inserts, and direct mail advertising. These advertising-related segments of the commercial printing market have grown rapidly during recent years. As can be seen from the chart on page 10, newspaper inserts and direct mail advertisements (defined here as all third class mail) expanded rapidly during the 1980's. Measured on a tonnage basis, direct mail volume rose at an average annual rate of 10.9% between 1981 and 1987, while newspaper inserts trended up 11.7% a year, to an estimated 1987 volume of 2.02 million tons. Inserts and direct mail advertising consumed in excess of 5.5 million tons of paper last year. However, not all of that tonnage was printing-writing papers. The newspaper inserts market, for example, is also served by newsprint.

As was noted in the March issue of this report, third class postage rates were increased by an average of 25% on April 3 of this year, a development that could temporarily slow the growth of direct mail advertising volume. On the other hand, 1988 is an presidential election and Olympics year and these events could serve to bolster advertising activity and thereby increase the demand for commercial printing.

Another important growth market for commercial printing papers has been legal and financial documents, which include annual reports, insurance and security documents, and various banking forms. According to the Department of Commerce, this segment's share of the commercial printing market rose from 4% in 1967 to approximately 8% at present.

Other miscellaneous products produced by commercial printers include calendars, tickets, maps and a wide miscellany of products too detailed to enumerate here. Total demand for these miscellaneous products generally moves in line with total economic activity.

A2500-2

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

APRIL 29, 1988

PRODUCTION (000 TONS)

	MARCH	FEBRUARY	MARCH	FIRST THREE MONTHS		% CHANGE YR TO DATE
	1988	1988	1987	1988	1987	1988/1987
PAPER GRADES						
Newsprint	510	479	475	1,487	1,406	5.8
Printing & Writing	1,942	1,759	1,729	5,526	5,028	9.9
Uncoated Groundwood (s)	142	125	138	396	398	-0.7
Coated Paper (s)	653	593	546	1,881	1,637	14.9
Uncoated Free Sheet Paper (s)	1,019	918	918	2,881	2,629	9.6
Thin Paper (s)	19	24	21	62	65	-4.6
Cotton Fiber Paper (s)	15	14	15	42	42	1.9
Bleached Bristols (s)	94	85	91	265	257	3.0
Tissue Paper	474	437	447	1,357	1,301	4.3
Total Pkg & Other Paper	454	435	448	1,329	1,326	0.2
Unbl. Kraft Paper (s)	262	255	274	780	815	-4.3
Other Paper	192	180	174	549	512	7.3
TOTAL PAPER	3,380	3,110	3,099	9,699	9,061	7.0
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,696	1,566	1,558	4,899	4,520	8.4
Unbleached Kraft Linerboard	1,575	1,465	1,440	4,567	4,205	8.6
Other Unbl. Kraft Paperboard	121	101	118	332	315	5.4
Semichemical Paperboard	492	454	492	1,435	1,413	1.6
Bleached Paperboard	388	370	391	1,134	1,116	1.6
Recycled Paperboard	774	718	734	2,241	2,119	5.8
TOTAL PAPERBOARD	3,349	3,108	3,175	9,708	9,169	5.9
TOTAL PAPER AND PAPERBOARD	6,730	6,218	6,273	19,407	18,229	6.5

PRODUCTION (000 TONS)

	FEBRUARY	JANUARY	FEBRUARY	FIRST TWO MONTHS		% CHANGE YR TO DATE
	1988	1988	1987	1988	1987	1988/1987
Dissolving & Special Alpha	116	98	98	215	207	3.9
Bleached Sulfite)	119	134	111	253	239	5.7
Unbleached Sulfite)						
Bleached & Semi-Bl. Sulfate	2088	2256	1984	4344	4129	5.2
Unbleached Sulfate	1774	1896	1648	3670	3467	5.9
Semichemical	350	376	330	725	702	3.4
Groundwood & Thermomechanical	472	517	437	989	926	6.9
TOTAL PULP DIVISION DATA	4920	5276	4608	10196	9669	5.4

(s) - shipments
(p) - Preliminary

APRIL 29, 1988

	Full Year		INDUSTRY DATA 1987 - 1988			Ann. Rate Year - To - Date	% From Same Pd. Last Year
				R	P		
PAPER AND PAPERBOARD -- Tons (000)	1986	1987	January	February	March	1988	
Total Production (API).......: excluding :...	70,885	74,498	6,460	6,218	6,730	77,628	6.5
Total Seasonally Adjusted....:construction:...			6,387	6,404	6,421	76,847	5.3
Imports (including Products).: and wet :..E	11,597	12,528	1,034	1,012	1,035	12,323	-0.7
Exports (including Products).: machine :..E	4,593	5,197	492	455	410	5,427	8.4
Apparent Consumption.........: grades :...	77,889 a	81,829 b	6,928	6,962	7,046	83,743 c	4.1
Paper Production % Tonnage Capacity...........	93.1 g	94.1	95.3	97.9	102.7	98.6	-
Paperboard Production % Tonnage Capacity......	94.4 g	96.9	98.3	99.9	100.4	99.5	-
			December	January	February		
IMPORTS.....:Including Construction and :...	11,936	12,837	1,028	1,056	1,032	12,527	-0.2
EXPORTS.....: WMB Grades (excl. HPB) :...	4,687	5,304	469	500	466	5,800	14.6
			December	January	February		
MARKET WOOD PULP PRODUCTION - Tons (000).........	7,514	8,128	723	722	687	8,458	11.7
TOTAL WOOD PULP PRODUCTION - Tons (000).........	57,017	59,564	5,160	5,276	4,920	61,175	5.4
WOOD PULP IMPORTS - TONS (000)..................	4,582	4,850	415	390	429	4,912	-1.8
WOOD PULP EXPORTS - TONS (000)..................	4,458	4,889	527	391	444	5,009	23.1
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			December	January	February		
Wood Pulp............:consumption for:.....	57,072	59,488	5,119	5,231	4,927	60,944	4.4
Waste Paper..........:construction & :.....	17,236	18,348	1,490	1,567	1,504	18,430	5.4
TOTAL.........: WMB grades :.....	74,308	77,836	6,608	6,798	6,431	79,374	4.6
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	91,434	93,946	8,162	8,223	7,743	95,796	2.4
EMPLOYMENT (000)			January	February	March		
Paper and Allied Products..........Total......	674.3	678.2	677.6	677.8	678.1	677.8	0.5
Pulp, Paper and Board Mills........Total.....E	248.5	246.2	245.4	245.3	245.3	245.3	-0.6
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)			January	February	March		
Paper and Allied Products......................	11.14	11.41-	11.52	11.49	11.50	11.50	2.6
Pulp, Paper Mills...........................E	13.58	14.00	14.01	14.07	14.12	14.07	2.4
Paperboard Mills............................E	14.01	14.26	14.27	14.09	14.18	14.18	1.5
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1987 Q3	1987 Q4	1988 Q1		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	8.77	8.92	8.84	10.02	10.26	11.29 Y	26.6
INDEX OF OUTPUT PER MAN-HOUR (1977=100)..........			January	February	March		
:IN PULP, PAPER :...Production Workers..........	131.3	140.2	144.6	145.7	147.0	145.8	5.7
:AND BOARD MILLS:...All Employees...............	128.8	136.7	141.3	142.0	143.3	142.2	5.8
PAPER AND ALLIED PRODUCTS (Million $)			January	February	March		
Industry Shipments (Dept. of Commerce)*........	103,916	118,855	10,777	10,627	10,748	128,608	14.1
Pulp, Paper and Paperboard*..................	44,033	51,518	4,951	4,854	4,726	58,124	19.4
Inventories (End of Period) - Total Industry*..	10,429	11,284	11,391	11,501	11,448	11,448	5.6
Pulp, Paper and Paperboard*..................	4,115	4,266	4,245	4,347	4,295	4,295	2.9
			1987 Q2	1987 Q3	1987 Q4		
Sales (Corporations Only)......................	74,844	86,603	21,553	22,367	22,742	N.A	N.A
Earnings (Corporations Only)...................	3,280	4,989	1,206	1,433	1,354	N.A	N.A
Depreciation (Corporations Only)...............	3,389	3,827	942	988	946	N.A	N.A
Net Worth (Corporations Only)..................	31,221	35,162	32,843	33,843	35,162	N.A	N.A
PRICE INDEXES (Bureau of Labor Stats)1982=100			January	February	March		
Pulp, Paper & Products, ex. Building Grades....	107.5	114.3	118.9	119.6	120.6	119.7	6.8
Wood Pulp......................................	94.7	111.6	120.6	127.3	126.3	124.7	17.5
Waste Paper....................................	142.6	181.5	193.1	189.0	190.5	190.9	13.8
Paper..	107.0	111.5	118.1	118.7	119.7	118.8	7.9
Paperboard.....................................	106.5	118.1	122.7	122.8	127.1	124.2	8.0
PAPER DEMAND (INDEXED: 1977=100)			January	February	March		
Total Paper Production *.......................	127.9	133.8	138.3	139.0	139.6	139.0	5.9
Paper New Supply *.............................	133.6	140.6	144.0	143.2	144.7	144.0	4.1
Demand Indicators - (Weighted Average) *.....	146.7	154.4	159.9	161.0	161.4	160.8	6.9
Production of Nondurable Goods *...(21.2%).	130.1	136.8	141.9	141.8	141.9	141.9	6.6
Disposable Income ....*.(23.9%)	128.9	129.6	131.7	132.7	132.7	132.4	2.3
Total Printing and Publishing *...(54.9%).	160.9	172.0	179.2	180.7	181.4	180.4	8.6
Trend Factor	----------------	----------------	-------- Not	Available	--------	----------------	--------
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *..................	122.0	129.3	132.4	132.5	132.5	132.5	4.6
Production for Domestic Use	118.9	126.7	129.5	128.7	128.2	128.8	3.9
Demand Indicators - (Weighted Average) *.....	121.9	125.9	130.0	130.1	130.2	130.1	5.2
Production of Consumer Goods *...(62.06%)	124.1	127.7	131.4	131.9	131.9	131.7	4.4
Production of Equipment *...(5.75%)	* 143.7	148.8	154.0	154.4	155.2	154.5	6.4
Production of Materials *...(32.19%)	113.8	118.3	123.0	122.4	122.6	122.7	6.7
Trend Factor	----------------	----------------	-------- Not	Available	--------	----------------	--------
NEWSPRINT MARKETS			December	January	February		
Consumption by Publishers - Tons (000).........	13,158	13,503	1,157	1,056	1,063	12,712	6.0
Newspaper Pub. and Printing Empl. Total(000)...	461	462	470	467	467	467	2.1
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (PIB, Inc.)...........	154,317	155,639	13,440	9,707	13,772	141,356	12.0
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	40,521	47,230	4,194	3,946	4,165	48,666	16.4
Inventories (End of Period).	3,552	3,831	3,831	4,106	4,084	4,084	15.6
FIBRE BOX DATA (Fibre Box Association)			January	February	March		
Fibre Box Shipments (Million square feet).......	283,921	297,827	24,817	24,739	27,222	307,112	6.1
Container'bd Inventory at Mill & Plant(000Tons).	2,238	2,496	2,663	2,584	2,527	2,527	4.7
RETAIL TRADE (Billion $)			January	February	March		
Total Retail Sales *..........................	1,437	1,509	128.8	129.6	130.7	1,556	6.7
Nondurable Goods Stores Sales *...............	899	951	80.1	79.9	80.8	963.1	3.4
GENERAL ECONOMIC DATA			January	February	March		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	125.1	129.8	134.4	134.4	134.6	134.5	6.0
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1982=100).	100.2	102.8	104.5	104.6	104.9	104.7	3.7
CONSUMER PRICES (ALL ITEMS) (INDEX 1982 = 100)...	109.6	113.6	115.7	116.0	116.5	116.1	4.0
			December	January	February		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	586	621	621.0	619.8	619.2	619.2	7.6
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..			1987 Q3	1987 Q4	1988 Q1		
G.N.P. or Expenditure - Current $..............	4,235	4,489	4,524	4,607	4,661	4,661	6.5
G.N.P. or Expenditure - 1982 $.................	3,713	3,821	3,836	3,881	3,903	3,903	3.5

	lb/capita			
	Pap&Papbd	Othr	Totl	Popul(mil)
.a	- 645 +	18 =	663	241.6
.b	- 671 +	17 =	688	243.8
.c	- 683 +	17 =	700	244.7

.e - estimated by API

f - Wood Pulp Production excludes def., explo. & scrngs.

g - Adjusted for holiday shutdowns

Q - Quarter

R - Revised

y - Full year estim. by U.S. Dept. of Com.

* - Seasonally Adjusted.

6/14/88 A2500-2

Paper
Paperboard
& Wood Pulp

MONTHLY STATISTICAL SUMMARY - Vol. 66 No. 5 MAY 1988

PAPER AND PAPERBOARD PRODUCTION HOLDING STEADY AT RECORD HIGHS

The first quarter 1988 rate of real GNP growth was recently revised from 2.2% per year to a robust 3.9% per year. This essentially confirmed the message sent by the record-high rates of demand for paper and paperboard evident in that quarter. Paper and paperboard products are used throughout the economy, with demand for the important communication grades reflecting rates of total business activity and demand for the packaging and shipping container grades pointing to activity levels in manufacturing.

The rate of paper and paperboard production in the first four months of 1988, adjusted for seasonal and workday factors as well as for the extra leap-year day in February, averaged 76.8 million tons per year, a record high and 5.0% above its comparable 1987 level. When the extra 1988 day is included, the rate moves above the 77 million tons per year level and the gain from last year to 5.9%. As the year progresses, however, the impact of this extra day on the year-to-year growth rate will diminish.

Strength in demand is evident throughout the grade structure. On an adjusted basis, paper production was 6.0% above its year-ago rate; paperboard production, 4.1%.

Spurred by major increases over year-ago levels in shipments to such important end-use markets as commercial printers, periodical publishers and office reprographics, shipments of printing and writing papers showed an extraordinary gain of 9.5% over their year-ago level in the first four months of 1988. The major gains were in coated papers, with both coated free sheet papers and coated groundwood papers moving well above year-earlier levels. The strength in demand was also evident in the major increases in unfilled orders (see table on page 3).

While kraft paper shipments continued the declining trend evident in the past two years when compared to year-ago levels, the rate of production in the first four months of 1988 was a bit ahead of the average rate for all of 1987, suggesting a possible flattening of the trend at a level slightly above that of the second-half of the 1987.

Among the paperboard grades, the major gains continue to be in unbleached kraft paperboard. The increases are consistent

Continued on page 2

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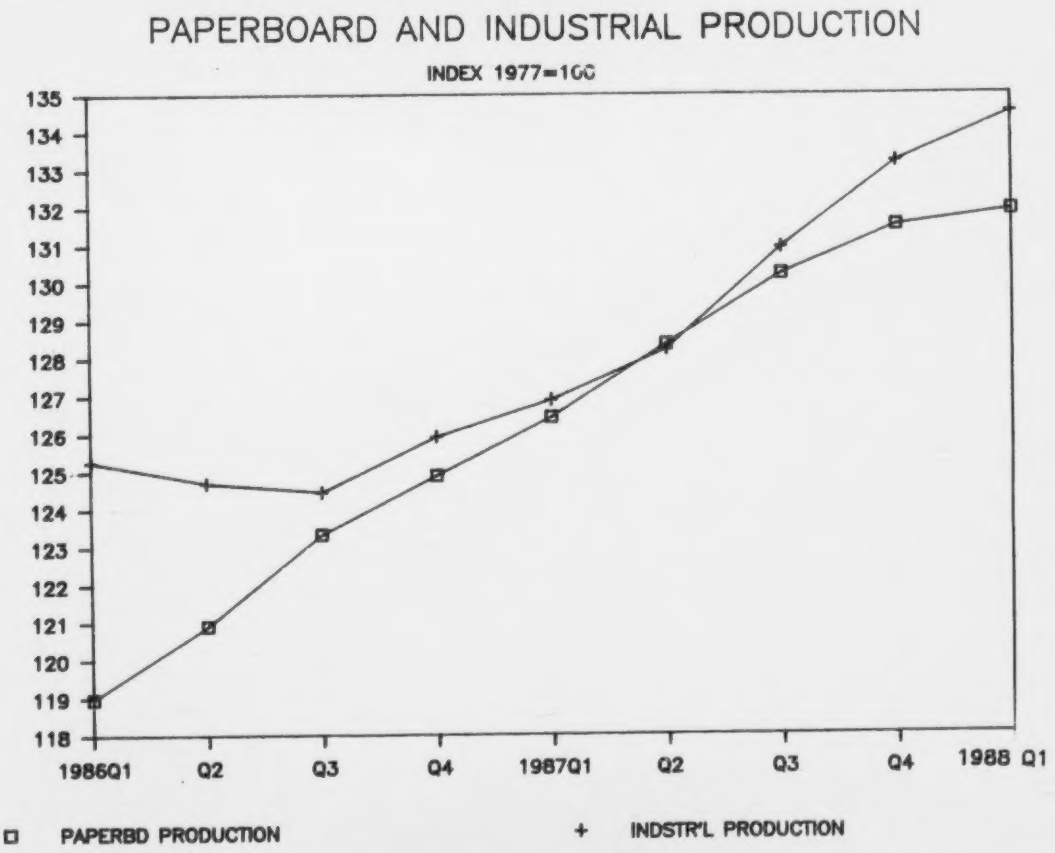
with the demand trends shown by corrugated shipping containers: shipments of these boxes gained 5% over their year-ago level in the first four months of 1988. Strength in export demand for unbleached kraft paperboard was also a factor in this growth. The closely-watched containerboard inventory levels remain well below 6 weeks of supply.

Because of its widespread use for packaging and shipping containers throughout the manufacturing industries, the trend of total manufacturing production is generally a good indicator of the condition of the markets for paperboard. The chart below traces the rates of total industrial production and total paperboard production on a quarterly basis for 1986, 1987 and the first quarter of 1988. Both sets of data are seasonally adjusted. They are reported on a index basis with the 1982 average equal to 100. The chart highlights the relatively faster growth in paperboard production during most of this period as it recovered from the effects of the 1985 inventory corrections.



IMPORTS AND EXPORTS

The decline in the value of the United States dollar in international markets since its first quarter 1985 peak took some time to make itself felt on U.S. import and export trends. Recent data, however, show these effects are, indeed, quite strong, and are making themselves felt in the expected manner: stimulating exports and diminishing imports.

Continued on page 11

PAPER AND PAPERBOARD STATISTICS

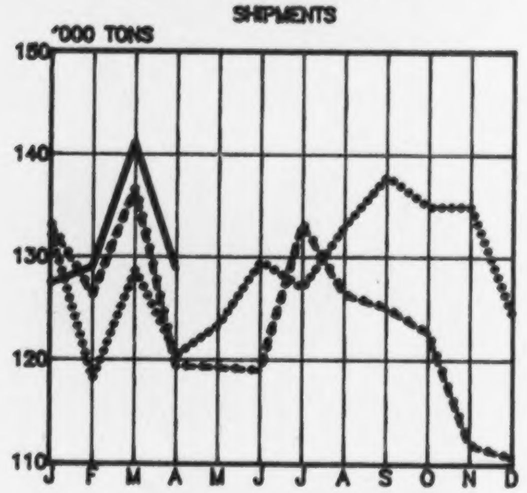
PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

	YEAR		JANUARY 1988 (P)	FEBRUARY 1988 (P)	MARCH 1988 (P)	APRIL 1988 (P)	Annual Rate Y-T-D 1988	% Change From same Period Last Year
	1986	1987						
PAPER								
Newsprint - Production	5,630	5,842	499	479	510	497	5,954	6.2
- Shipments	5,638	5,854	482	479	505	492	5,874	4.6
Printing & Writing Sum	19,668	20,780	1,832	1,767	1,944	1,816	22,078	9.5
Groundwood Paper - Shipments	1,540	1,485	128	129	141	129	1,582	2.2
- New Orders	1,553	1,542	132	137	133	127	1,589	1.8
-Unfilled Orders	124	181	187	204	193	186	186	62.1
Coated Papers - Shipments	6,263	6,860	638	593	653	609	7,476	13.9
- New Orders	6,334	7,099	627	583	646	635	7,471	14.0
- Unfilled Orders	469	734	693	692	694	735	735	53.5
Unctd Free Sheet - Shipments	10,410	10,977	944	919	1,018	945	11,477	8.3
- New Orders	10,485	11,189	944	917	1,030	990	11,643	10.3
- Unfilled Orders	587	777	729	747	764	836	836	57.4
Thin Papers - Shipments	271	251	19	24	19	20	245	-6.6
Cotton Fiber Paper - Shipments	152	163	13	14	15	13	167	-0.4
Bleached Bristols - Production RS	1,033	1,044	90	89	97	101	1,131	10.5
Tissue Paper - Production	5,095	5,301	446	437	474	444	5,402	3.9
Total Packaging & Other Paper	5,117	5,068	440	435	454	438	5,302	0.9
Unbl. Kraft Paper - Shipments	3,303	3,075	262	255	262	255	3,104	-4.2
Other Paper - Production	1,814	1,993	177	180	192	183	2,198	9.0
TOTAL PAPER-Production-Unadj.	35,510	36,990	3,216	3,119	3,382	3,196	38,736	6.9
-Production-S.A.			3,192	3,208	3,224	3,240	38,592	6.0
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	27,336	28,867	2,501	2,391	2,562	2,353	29,421	4.3
Total Unbl. Kraft Paperboard	17,689	18,888	1,637	1,566	1,696	1,529	19,283	6.6
Unbl. Kraft Linerboard (1)	16,402	17,608	1,527	1,466	1,575	1,425	17,978	7.2
Production for Export	2,246	2,268	205	218	225	175	2,470	14.5
Other Unbl. Kraft Paperboard	1,287	1,280	110	101	121	104	1,306	-1 3
Semichemical Paperboard	5,376	5,606	488	454	492	447	5,645	0.5
Production for Export	213	186	10	11	15	10	139	-30.2
Solid Bleached Paperboard RS	4,227	4,357	376	370	374	377	4,492	1.2
Production for Export	569	564	49	51	53	52	614	-0.8
Recycled Paperboard	8,083	8,594	749	718	766	754	8,962	6.5
Production for Export	70	60	6	11	2	6	75	145.9
TOTAL PAPERBOARD-Prod.-Unadj.	35,375	37,445	3,251	3,109	3,327	3,107	38,383	5.0
- Containerboard Prod.(Dom. Use)	21,426	23,016	1,999	1,883	2,029	1,882	23,377	5.5
- Boxboard Prod.(Dom. Use) (2)	5,860	6,155	538	512	530	529	6,325	2.8
- All Other P'bd Prod.(D.U.) (2)	4,992	5,196	444	424	473	453	5,382	2.7
- Total Paperbd Prod. for Export	3,097	3,079	270	291	296	243	3,298	9.7
TOTAL PAPERBOARD PROD.- S.A.			3,180	3,182	3,186	3,191	38,216	4.1
TOTAL PAPER AND PAPERBOARD								
Production - Unadj. (R)	70,885	74,435	6,466	6,228	6,710	6,303	77,118	5.9
Production - S.A.			6,372	6,390	6,410	6,431	76,808	5.0

(1) Includes all exports of kraft paperboard.   R - Revised   P - Preliminary   S.A. - Seasonally Adjusted
(2) Data for unbl. kraft folding boxboard incl. in All Other P'bd.   RS - Revised Series

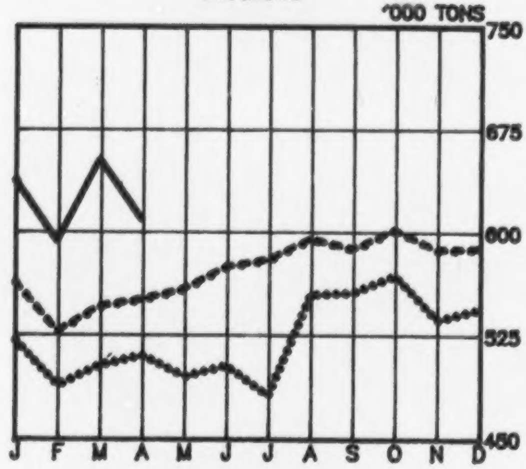
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



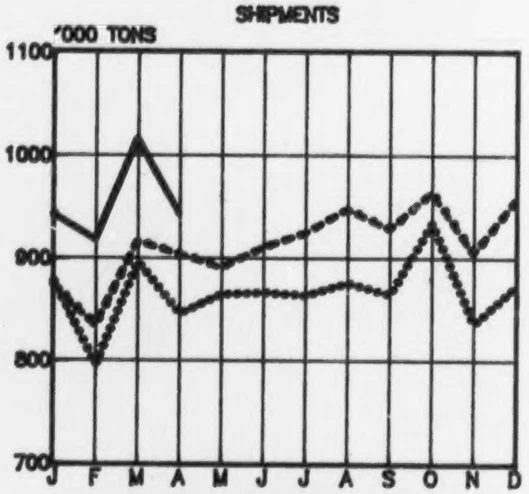
COATED PAPER

SHIPMENTS



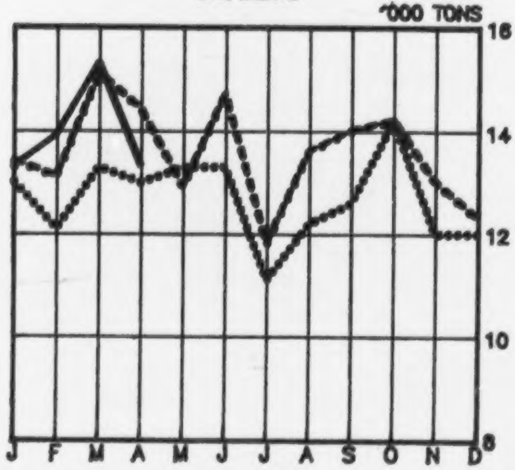
UNCOATED FREE SHEET PAPERS

SHIPMENTS



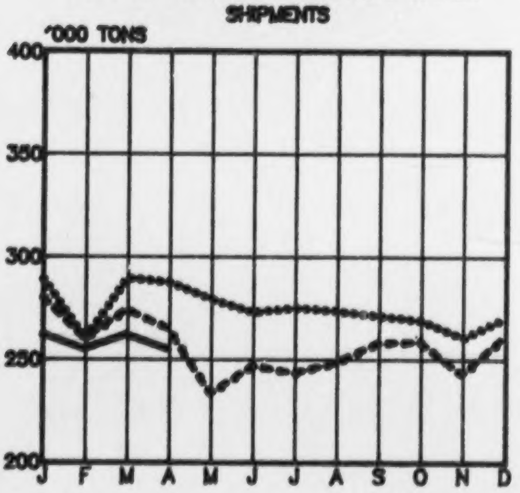
COTTON FIBER PAPER

SHIPMENTS



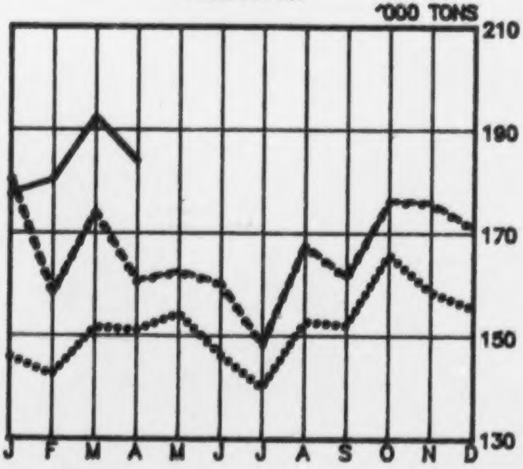
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1986 •••••••• 1987 ▬ ▬ ▬ 1988 ———

WOOD PULP STATISTICS
(Thousands of Tons)

		YEAR 1986	YEAR 1987	DECEMBER 1987	JANUARY 1988	FEBRUARY 1988	MARCH 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
TOTAL WOOD PULP						R	P		
Total Wood Pulp	- Production	57,017	59,564	5,160	5,276	4,919	5,230	61,700	5.1
	- Imports	4,582	4,850	415	390	429	432	5,004	-2.4
	- Exports	4,458	4,889	527	391	444	491	5,302	15.3
	- New Supply	57,140	59,525	5,048	5,276	4,903	5,171	61,401	3.6
Dissolving Pulp	- Production	1,258	1,312	109	98	116	109	1,295	1.0
	- Imports	255	198	9	20	21	26	266	30.9
	- Exports	711	752	72	67	41	78	745	-7.8
	- New Supply	801	757	45	52	95	57	816	20.6
Paper Grades Chemical Pulp	- Production	46,081	48,293	4,227	4,285	3,981	4,259	50,097	5.3
	- Imports	4,220	4,456	378	353	374	378	4,424	-7.1
	- Exports	3,689	4,111	449	322	401	402	4,501	19.6
	- New Supply	46,612	48,637	4,156	4,316	3,954	4,235	50,020	2.9
Groundwood and Thermo-Mech.	- Production	5,487	5,714	484	517	472	503	5,969	7.1
	- Imports	108	197	28	16	34	28	314	94.2
	- Exports,	59	26	5	1	2	11	56	107.8
	- New Supply	5,536	5,885	507	532	504	521	6,227	9.1
Semi-Chemical	- Production	4,191	4,246	339	376	350	360	4,339	1.5
	- Imports								
	- Exports								
	- New Supply	4,191	4,246	339	376	350	360	4,339	1.5
MARKET WOOD PULP									
Total Market Wood Pulp	- Production	7,514	8,128	723	722	687	730	8,558	9.8
	- Imports	3,122	3,235	293	272	289	296	3,425	9.2
	- Exports	4,470	4,820	531	363	400	477	4,958	12.8
	- New Supply	6,166	6,543	485	631	576	549	7,025	7.5
Dissolving Pulp	- Production	1,234	1,308	109	98	116	109	1,294	1.7
	- Imports	212	154	8	19	19	18	225	38.4
	- Exports	718	775	88	57	45	85	748	4.1
	- New Supply	728	687	29	61	90	42	771	7.6
Paper Grades Chemical Pulp	- Production	6,264	6,806	613	623	570	619	7,246	11.3
	- Imports	2,831	2,975	272	245	246	261	3,008	5.4
	- Exports	3,752	4,045	443	306	355	391	4,210	14.5
	- New Supply	5,343	5,736	442	562	460	489	6,044	6.3
Groundwood Pulp and All Other	- Production	16	14	1	2	1	2	18	28.6
	- Imports	79	106	14	8	24	16	193	58.3
	- Exports	0	0	0	0	0	0	0	0.0
	- New Supply	96	120	15	9	26	18	210	54.9

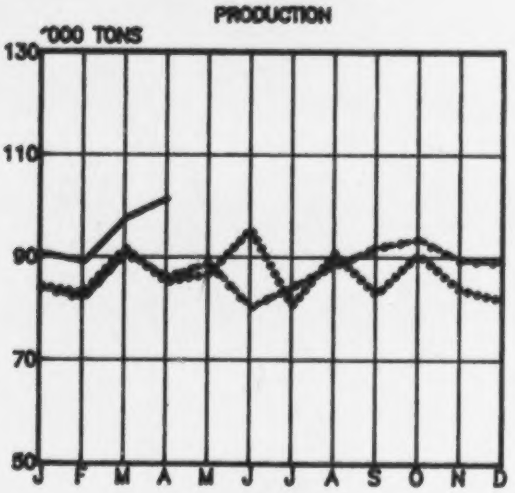
SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

FIBROUS RAW MATERIALS
(Thousands of tons)

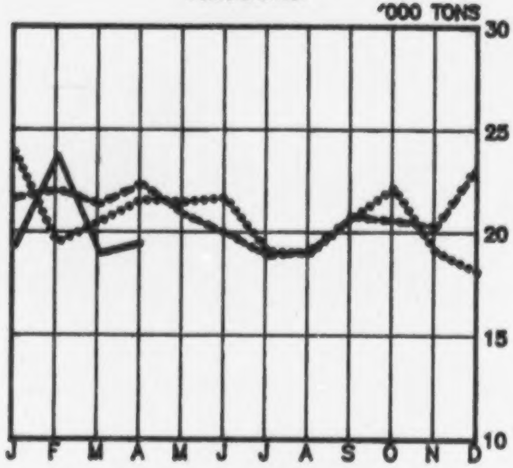
	YEAR 1986	YEAR 1987	DECEMBER 1987	JANUARY 1988	FEBRUARY 1988	MARCH 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
CONSUMPTION AT PAPER & PAPERBOARD MILLS					R	P		
Total	74,308	77,836	6,608	6,798	6,430	6,833	80,247	4.3
Total Wood Pulp	57,072	59,488	5,119	5,231	4,926	5,210	61,465	3.9
Waste Paper	17,236	18,348	1,489	1,567	1,504	1,624	18,782	5.3
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers' Own-Use Inventories	174	170	170	162	165	169	169	-14.4
Producers' Market Inventories	284	224	224	292	265	237	237	-18.7
Consumers' Purchased Inventories #	496	529	529	508	503	532	532	4.1
Waste Paper at Paper & Bd. Mills	838	887	887	847	847	916	916	20.4
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	16	12	12	15	13	12	12	-25.0

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API. # Includes all grades of wood pulp.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons

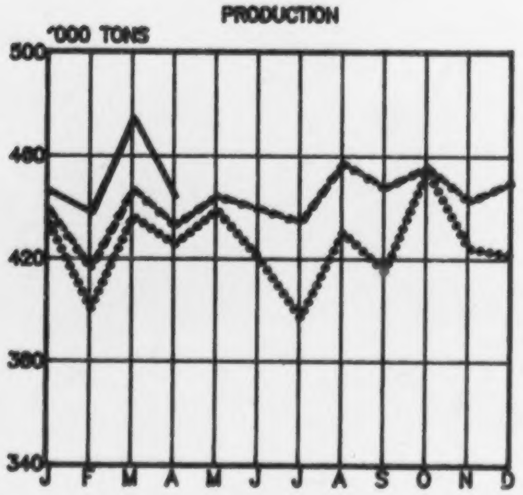
BLEACHED BRISTOLS
PRODUCTION



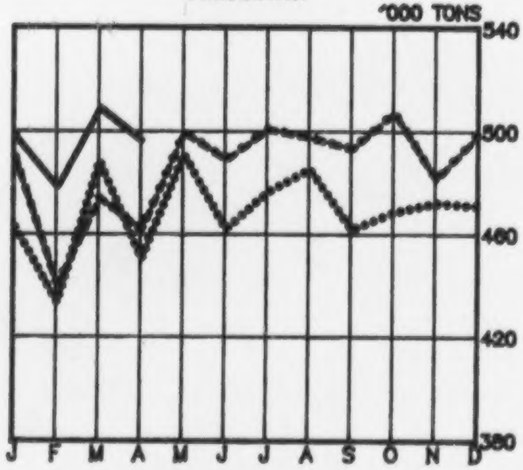
THIN PAPER
PRODUCTION



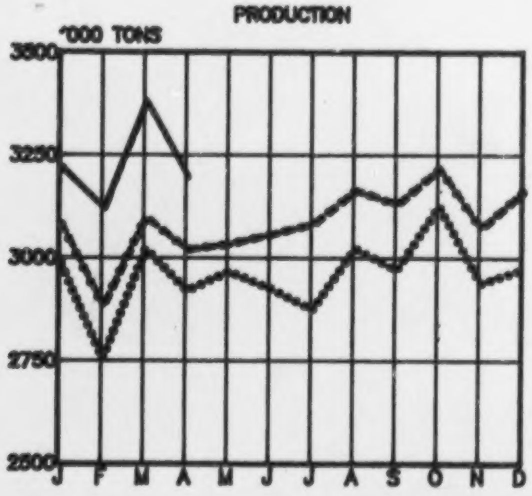
TISSUE PAPER
PRODUCTION



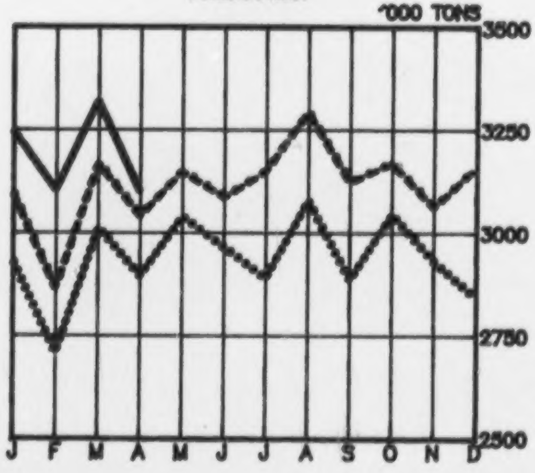
NEWSPRINT
PRODUCTION



TOTAL PAPER
PRODUCTION



TOTAL PAPERBOARD
PRODUCTION



1986 ········ 1987 -·-·-·-1988 ———

FIBROUS RAW MATERIALS
(Thousands of Standard (128 cubic foot) Cords)

PULPWOOD		YEAR 1986	YEAR 1987	DECEMBER 1987	JANUARY 1988	FEBRUARY 1988	MARCH 1988	Annual Rate Y-T-D 1988	% Change From Same Period Last Year
Total U.S.	- Total Receipts	90,943	94,312	8,003	7,737	7,924	8,345	96,024	1.4
	- Total Consumpt	91,434	93,946	8,162	8,223	7,743	8,249	96,860	3.2
	- Residues *	32,755	32,899	2,702	2,585	2,756	2,924	33,060	2.0
	- Inventories	4,794	5,096	5,096	4,629	4,777	4,942	4,942	1.0
So. Atlantic	- Total Receipts	29,513	31,147	2,660	2,554	2,561	2,807	31,688	5.3
	- Total Consumpt	29,425	30,915	2,692	2,684	2,521	2,708	31,652	4.3
	- Residues *	9,343	9,553	820	810	837	903	10,280	14.1
	- Inventories	994	1,211	1,211	1,025	1,070	1,155	1,155	32.0
Northeast	- Total Receipts	7,277	6,941	598	607	606	621	7,336	-6.0
	- Total Consumpt	7,227	7,109	578	644	582	645	7,484	-1.1
	- Residues *	1,419	1,543	131	118	129	158	1,620	-2.6
	- Inventories	484	594	594	598	647	657	657	22.0
South Central	- Total Receipts	31,790	33,650	2,968	2,637	2,771	3,005	33,652	0.7
	- Total Consumpt	32,113	33,059	2,996	2,818	2,742	2,981	34,164	3.0
	- Residues *	9,792	9,992	804	745	836	887	9,872	-3.6
	- Inventories	926	1,294	1,294	1,066	1,085	1,070	1,070	15.0
North Central	- Total Receipts	6,571	6,552	573	675	666	589	7,720	7.0
	- Total Consumpt	6,730	6,764	560	652	557	595	7,216	6.1
	- Residues *	1,042	1,263	152	167	97	108	1,408	45.9
	- Inventories	892	830	830	873	989	1,000	1,000	-4.4
West	- Total Receipts	15,792	16,022	1,204	1,264	1,320	1,323	15,628	-3.5
	- Total Consumpt	15,939	16,099	1,336	1,425	1,341	1,320	16,344	0.7
	- Residues *	11,159	10,548	795	745	857	868	9,880	-6.4
	- Inventories	1,498	1,167	1,167	1,067	986	1,060	1,060	-29.0

* - Consumption of Residues in Cord Equivalents. SOURCE: American Pulpwood Association 27-May-88

UNITED STATES TRADE WITH CANADA

IMPORTS FROM CANADA

	YEAR 1987 Tons	YEAR 1987 ($000's)	FEBRUARY 1988 Tons	FEBRUARY 1988 ($000)	MARCH Tons	MARCH 1988 ($000)	Annual Rate Y-T-D 1988 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	15,382	1,736	3,276	412	2,180	210	27,860	1336.1
Pulpwood chips	487,147	15,250	69,403	1,920	79,855	2,562	895,744	131.3
Wood Pulp, Total	4,320,114	1,842,019	362,375	176,727	369,645	181,630	4,311,856	-6.7
Waste Fibrous Materials, Total	186,286	36,423	19,864	4,530	24,646	5,250	256,058	42.7
Paper, Board & Products, Total	10,508,047	5,093,903	850,766	462,997	979,300	527,503	10,860,131	2.1
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	10,441,472	4,845,663	837,116	438,609	966,070	503,147	10,715,645	2.2
Paper, Paperboard & Products	10,365,412	5,027,943	837,504	458,694	962,045	522,198	10,680,710	2.7
Paper & Paperboard, Only	10,218,838	4,779,702	823,854	434,307	948,815	497,843	10,528,232	2.8
Paper, Total	9,961,198	4,698,140	801,988	426,771	926,777	490,581	10,260,400	2.6
Newsprint	8,588,309	3,956,147	675,292	350,325	785,371	406,193	8,677,328	-0.3
Printing, Writing & Rel. Pap.	1,111,641	601,970	102,720	62,334	115,881	69,343	1,277,360	26.7
Pack. & Ind. Conv. Paper	215,514	102,986	18,006	9,049	22,069	11,314	249,648	3.9
Special Industrial Paper	5,478	9,044	541	942	431	824	4,851	-25.0
Tissue Paper	40,257	27,194	5,429	4,120	3,025	2,908	51,213	47.4
Paperboard, Total	257,639	81,554	21,866	7,536	22,038	7,261	267,833	7.7
Convtd Paper&Paperbd Products	146,575	248,241	13,650	24,388	13,230	24,356	152,406	-1.9
Wet Machine Board	2,890	1,977	238	163	345	246	3,426	9.7
Construction Paper & Board	219,744	63,983	13,024	4,139	16,910	5,058	183,987	-22.4

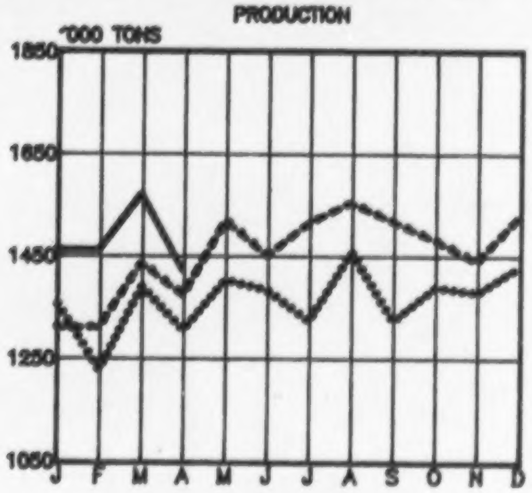
EXPORTS TO CANADA

Pulpwood, Roundwood (in cords of 128 cubic feet)	12,617	770	325	20	849	51	6,100	1.6
Pulpwood chips	61,575	4,014	3,710	243	4,933	320	37,684	-60.4
Wood Pulp, Total	190,921	75,956	18,455	7,751	20,546	6,730	239,808	27.1
Cotton Pulp & Other Pulp	50,288	14,775	7,061	1,905	5,924	1,677	91,512	147.2
Waste Paper	206,898	30,592	23,374	2,592	29,038	3,273	280,840	14.9
Paper, Board & Products, Total	957,434	590,429	91,203	60,143	97,511	65,609	1,472,396	69.3
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	712,494	398,256	66,765	39,446	74,032	44,038	1,218,352	88.0
Paper, Paperboard & Products	920,755	581,481	87,884	58,687	94,824	64,261	1,438,023	71.3
Paper & Paperboard, Only	675,815	381,308	63,445	37,990	71,346	43,490	1,183,979	83.1
Paper, Total	297,585	250,807	32,775	24,774	31,462	28,235	375,216	21.7
Newsprint	4,525	3,720	269	235	312	284	3,274	-29.6
Printing, Writing & Rel. Pap.	151,716	125,667	14,743	12,697	16,777	15,129	175,206	20.0
Pack. & Ind. Conv. Paper	25,826	17,841	4,458	2,444	2,885	2,133	41,602	58.0
Special Industrial Paper	110,107	97,080	12,838	8,590	11,058	10,036	149,732	17.4
Tissue Paper	5,411	6,490	467	799	430	654	5,322	47.6
Paperboard, Total	378,230	130,501	30,671	13,216	39,884	15,255	808,764	139.1
Convtd Paper&Paperbd Products	244,940	200,173	24,438	20,697	23,470	20,771	254,044	31.0
Wet Machine Board	10,212	4,020	740	294	423	163	7,390	-31.0
Construction Paper & Board	26,467	12,120	2,579	1,162	2,264	1,105	26,975	37.1

SOURCE: Bureau of Census, Department of Commerce . E - Estimate of tonnage based on square foot data 27-May-88

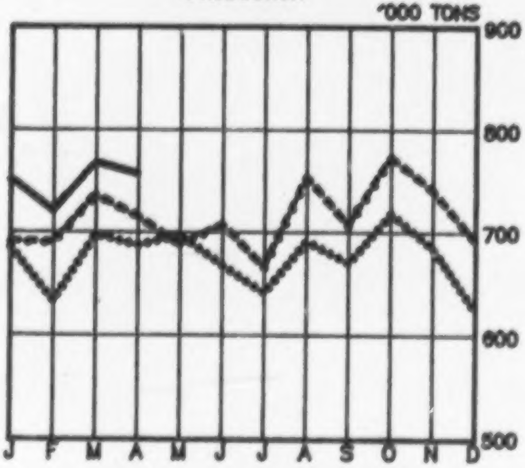
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



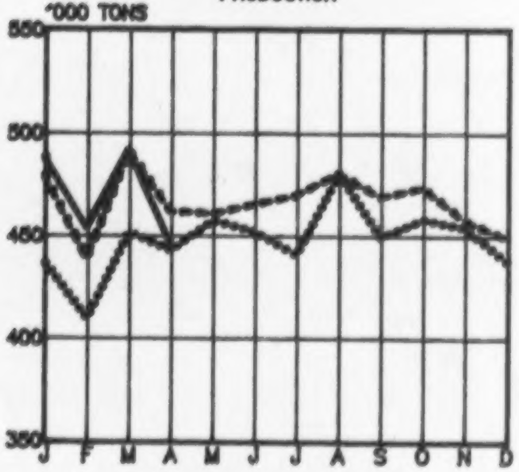
RECYCLED PAPERBOARD

PRODUCTION



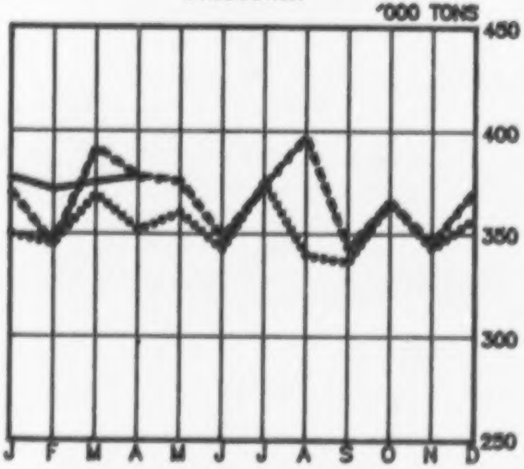
SEMICHEMICAL PAPERBOARD

PRODUCTION



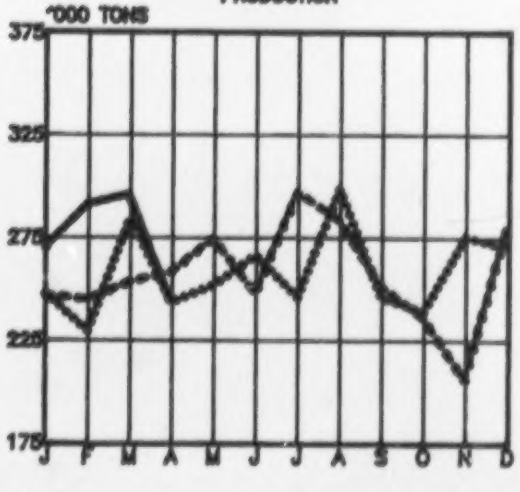
SOLID BLEACHED PAPERBOARD

PRODUCTION



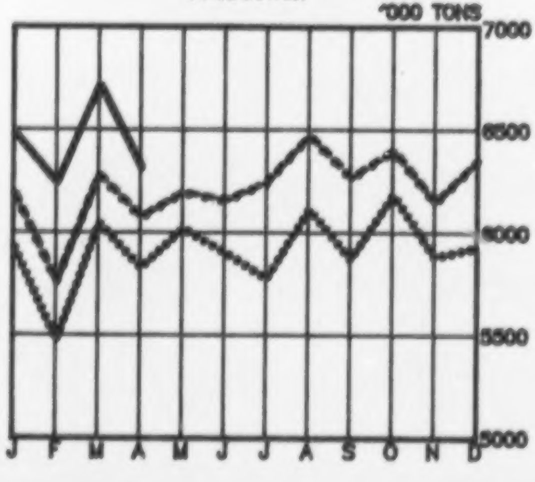
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1986 ········ 1987 ------ 1988 ——

IMPORTS

	YEAR 1987		1987		1988		(1) Annual Rate YTD 1988	% Change from same Period Last Year
	Tons	$000	FEBRUARY Tons	FEBRUARY $000	MARCH Tons	MARCH $000	Tons	
Pulpwood Roundwood (cords)	15,432	1,746	3,276	412	2,100	210	27,060	1263.0
Pulpwood Chips	525,629	15,476	70,284	1,948	80,419	2,500	903,496	132.0
Total All Imports	17,091,172	9,043,600	1,481,881	838,000	1,657,347	940,160	18,425,864	2.1
Wood Pulp Total	4,050,238	2,069,309	428,772	206,496	432,156	211,292	5,003,420	-2.4
Waste Paper	127,390	19,231	15,292	3,051	16,307	2,704	104,764	69.7
Other Fibrous Materials	76,491	27,207	6,073	2,153	10,073	3,502	90,770	4.6
Paper Board & Products Total	12,837,046	6,927,693	1,031,744	626,300	1,198,811	722,662	13,146,903	3.3
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	12,435,486	5,995,122	997,802	543,031	1,161,996	631,925	12,744,652	3.5
Paper Ppbd & Prds ex Cnst&WMB	12,527,598	6,828,736	1,012,291	619,889	1,173,060	714,485	12,875,720	3.7
Paper & Paperboard Only	12,126,039	5,896,165	978,349	536,620	1,136,246	623,747	12,473,469	4.0
Paper Total	11,765,208	5,768,703	950,022	525,877	1,107,560	613,416	12,138,225	4.7
Newsprint	8,986,548	4,121,327	697,294	360,620	810,838	417,845	8,939,876	-0.5
Printing & Writing	2,410,216	1,412,458	219,447	142,490	263,034	171,873	2,787,719	25.9
Uncoated Groundwood	1,269,774	654,767	112,691	64,529	132,979	76,410	1,440,551	24.2
Coated Print.& Impreg. Pap.	674,531	467,865	54,106	42,470	72,272	56,001	718,340	23.2
Uncoated Free Sheet	417,395	249,943	46,806	31,084	52,403	34,299	571,108	40.2
Uncoated Book	210,624	119,775	15,611	10,020	24,305	15,760	238,347	20.9
Writing and Similar Paper	206,771	130,168	31,195	21,064	28,098	18,531	332,762	49.5
Thin (except Cigarette)	47,567	38,831	5,807	4,363	5,270	5,035	56,704	-10.7
Bristols	950	1,052	38	44	110	121	1,016	24.6
Total Pkg & Other Paper	310,324	191,620	25,042	16,204	28,825	19,965	338,266	-1.4
Unbleached Kraft Paper	168,420	69,828	13,070	6,011	15,855	7,294	176,435	-0.2
Other Pkg. & Indust. Paper	141,904	121,792	11,972	10,193	12,970	12,671	161,831	-2.7
Tissue	58,121	43,299	8,239	6,565	4,863	3,733	72,364	36.0
Paperboard, Total	360,831	127,461	28,326	10,743	28,686	10,331	335,244	-14.5
Test or Containerboard	88,981	29,352	6,592	2,889	4,602	1,967	74,887	-16.0
Semi-Chemical Corrugating	120,636	33,898	11,563	3,240	12,925	3,689	147,985	21.3
Other Paperboard	151,214	64,211	10,172	4,614	11,150	4,675	112,372	-37.6
Convtd Paper&Paperbd Products	401,559	932,571	33,943	83,269	36,815	90,738	402,251	-4.5
Paper Products, Total	368,179	866,121	31,470	78,548	33,470	84,652	367,552	-4.4
Paperboard Products, Total	33,380	66,450	2,473	4,722	3,345	6,086	34,699	-5.2
Wet machine Board	3,463	2,630	374	319	511	445	4,726	31.4
Construction Paper & Board	305,985	96,320	19,079	6,093	25,240	7,732	266,457	-15.3
Notes								
Other: No Weight Avail. ($000)		201,453		15,537		15,794	180,958	-12.2
Total Imports Incl. Other($000)		9,245,053		853,537		955,954	10,455,454	16.2

EXPORTS

							(1)	
Pulpwood, Roundwood (cords)	16,170	913	1,075	53	941	55	9,460	-2.2
Pulpwood Chips	2,546,467	100,459	260,473	20,607	271,471	[illegible]	2,674,160	35.4
Total All Exports	14,797,437	6,007,810	1,348,116	580,006	1,537,743	658,823	16,851,930	21.0
Wood Pulp,Total	4,889,331	2,259,377	444,171	220,194	498,702	245,872	5,302,192	15.3
Cotton Pulp and Other Pulp	102,001	91,365	23,509	11,200	17,473	9,994	239,273	62.2
Waste and Old Paper	4,422,139	553,340	414,260	53,950	481,179	60,025	5,250,336	29.0
Paper, Board & Products,Total	5,303,966	3,103,720	466,168	294,646	540,309	342,132	6,060,130	10.5
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	4,579,770	2,280,329	401,531	213,635	474,286	[illegible]	5,280,292	10.0
Paper, Ppbd & Prod ex Cnst&WMB	5,196,613	3,044,506	454,575	289,269	537,349	336,461	5,936,741	10.5
Paper & Paperboard, Only	4,471,418	2,221,107	389,938	208,257	463,246	244,397	5,156,902	10.9
Paper, Total	921,397	776,181	90,228	74,014	93,196	84,684	1,039,611	20.5
Newsprint	339,773	210,093	29,611	20,130	28,329	19,479	324,547	-5.0
Printing & Writing	249,092	242,639	23,376	22,903	27,701	28,444	285,056	34.6
Uncoated Groundwood	55,841	39,750	5,743	4,767	7,365	5,594	67,341	39.3
Clay Coated Paper	100,839	72,145	9,509	7,513	10,306	8,540	111,746	34.0
Uncoated Free Sheet	67,858	99,330	5,683	7,872	7,491	10,099	75,768	37.3
Othes Printing & Writing	24,554	31,414	2,441	2,752	2,540	4,211	30,202	19.0
Total Pkg. & Other Paper	294,201	292,659	33,168	27,973	32,181	32,515	381,042	30.6
Unbleached Kraft	89,194	40,758	9,953	4,661	8,548	3,652	101,874	20.2
Other Pkg. & Indust. Paper	205,007	251,901	23,215	23,312	23,634	28,862	279,168	34.0
Tissue	38,332	30,790	4,073	2,999	4,905	4,246	40,967	175.0
Paperboard, Total	3,550,021	1,444,926	299,710	134,243	370,051	159,713	4,117,291	10.5
Solid Wood Pulp	3,218,952	1,321,618	278,428	123,167	340,350	147,829	3,814,402	17.0
Total Linerboard	2,296,633	812,161	182,104	68,677	242,647	92,586	2,350,528	2.3
Bleached Kraft Linerboard	102,266	46,429	14,198	6,591	20,840	9,419	191,564	361.1
Unbleached Kraft Linerbd	2,194,367	765,731	167,905	62,086	221,807	83,167	2,158,964	-4.3
Other Unbleached Kraft	210,566	78,596	33,927	12,367	30,096	11,100	715,166	223.9
Other Bleached Kraft	647,003	407,923	57,995	40,302	62,180	42,090	685,495	6.1
Semi-Chemical Corrugating	63,951	22,938	4,403	1,741	5,410	2,053	63,294	-11.7
Recycled Paperboard	331,069	123,308	21,283	11,076	29,701	11,884	302,000	27.3
Convtd Paper&Paperbd Products	725,196	823,399	64,637	81,011	74,102	92,064	779,839	16.3
Paper Products, Total	301,202	540,681	27,192	52,736	31,358	59,258	327,940	10.7
Paperboard Products, Total	423,994	282,718	37,445	28,275	42,745	32,805	451,890	14.6
Wet Machine Board	17,320	7,816	1,053	419	1,340	536	13,382	-34.7
Construction Paper & Board E	90,024	51,405	10,541	4,950	9,700	5,136	110,007	30.2
Notes								
Other: No Weight Avail. ($000)		8,037		968		848	9,347	33.0
Total Exports Incl. Other($000)		6,015,855		580,974		659,671	7,170,878	29.5

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description.

PRODUCER PRICE INDEXES

1982 = 100

	1986	1987	JANUARY 1988	FEBRUARY 1988	MARCH 1988	APRIL 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	107.5	114.3	118.9	119.6	120.7	122.6	120.5	7.2
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	106.9	113.2	117.6	118.4	119.5	121.5	119.3	7.1
Total Wood Pulp	94.7	111.5	120.6	127.3	126.9	135.0	127.5	18.9
Total Paper	107.0	102.0	110.1	118.7	119.7	121.0	119.4	8.4
Total Paper, exc. Newsprint	107.9	101.1	118.1	118.6	119.0	120.7	119.1	8.4
Newsprint	103.3	112.3	125.4	126.7	127.0	127.2	126.6	16.8
Total Paperboard	106.5	108.6	122.7	122.8	127.1	132.6	127.1	9.6
Total Paper and Paperboard *	106.8	104.1	119.5	120.0	122.0	124.6	121.0	8.8
Converted Products	109.4	114.7	117.8	118.3	118.9	119.8	118.7	4.9
Waste Paper	142.6	101.4	193.1	189.0	190.5	187.9	190.6	11.2
All Commodities	100.2	102.8	104.5	104.6	104.9	105.8	105.2	3.8
Industrial Commodities	100.0	102.6	104.3	104.4	104.7	105.6	105.0	3.7

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

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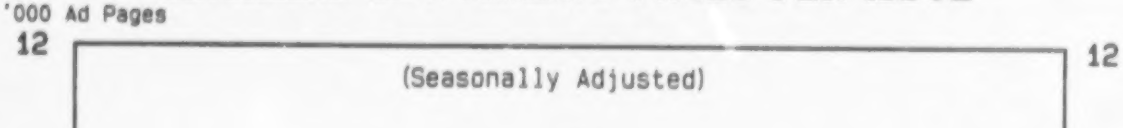
MAGAZINE ADVERTISING PAGES PER ISSUE



SOURCE: Printing and Writing Paper Division

For the paper industry, the first quarter 1988 level of paper and paperboard exports was 19% above its year-ago rate. Paper exports moved above the one million tons per year level for the first time since 1981, showing a 20% gain over its year-ago rate. Paperboard exports, as reported by the Bureau of the Census, exceeded 4 million tons per year, 18% above its first quarter 1987 level, establishing a new high. Census data show that total wood pulp exports exceeded imports in 1987 for the first time ever. First quarter 1988 data show that wood pulp exports gained 15% over their year-ago level, while wood pulp imports fell 2%, widening this export/import gap.

The decline in the U.S. dollar had the expected effect on imports from European countries. However, 84% of U.S. imports of paper and paperboard and 86% of imports of wood pulp come from Canada. Changes in the relationship of the U.S. and Canadian currencies have been minimal compared to changes in the relationship of the U.S. dollar to European or Japanese currencies.

The table on page 7 shows the data on U.S. trade in wood pulp, paper and paperboard with Canada. This table shows that Canada accounts for the bulk of our newsprint imports -- 97% of the total -- as well as 87% of total printing-writing paper imports.

Even with these large established U.S. Canada trade relationships, the growth in total imports has slowed drastically when compared to the large increases evident during the 1983-1985 period. Census data for the first quarter of 1988 show total paper and paperboard imports up only 4%. Imports of newsprint were down slightly. Printing-writing paper imports, however, were up by 26%, reflecting, in part, the strong demand for these products.

NEW SUPPLY

With exports up much more than imports, paper and paperboard new supply -- production plus imports less exports -- gained about 4.5% from the first quarter of 1987 to the first quarter of 1988. This was slightly below the growth of production, but well above the growth in real GNP.

In other words, growth in total demand for the products of the paper industry continues to outpace that of the economy as a whole, pointing to the continued expansion in the use of these products within the economy.

The flattening in the growth in imports, reflecting a greater reliance on domestic sources of supply, together with the growth in exports, offers important support to the growth in U.S. production of paper and paperboard.

MAGAZINE PAPER DEMAND

The magazine industry is an important end-use market for coated papers, second only to commercial printing. Domestic paper shipments to magazine publishers rose at an average annual rate of

Continued on page 12

3.3% a year between 1981 and 1987, but growth rates for individual years have been volatile. For example, shipments of magazine papers from domestic mills surged 23% between 1982 and 1984, but then declined 7% in 1985. The 1985 decline reflected a weakening in magazine advertising linage and a drawdown of market-channel inventories.

Paper shipments to the magazine industry from domestic mills grew 2.0% in 1986 and 3.9% in 1987. However, these growth rates probably understated the actual increases in paper consumption by magazines, inasmuch as they do not take account of imports. U.S. imports of coated papers rose from 162,400 tons in 1983 (2.8% of new supply) to 674,400 tons in 1987 (9.1% of new supply). However, there are no reliable data regarding the distribution of coated paper imports as between magazines and other end uses.

Magazine paper consumption is driven by two main factors: advertising page counts and circulation growth. Advertising page counts are sensitive to changes in economic activity and consequently tend to be volatile. As can be seen from the graph shown on page 10, advertising pages surged during 1983 and 1984, a period of exceptionally strong U.S. economic growth, but weakened between late 1984 and early 1986. They subsequently gained ground at a moderate rate during 1987 and early 1988. Although the elections and Olympics will help to buoy advertising activity during 1988, television is expected to benefit more significantly than magazines from these events.

While changes in the average number of magazine pages per issue have been the main cause of the cyclical ups and and downs in magazine paper demand since 1981, the primary long-term growth impetus has been circulation. Magazine circulation grew at a 2.6% average annual rate between 1981 and 1987, with declines in direct sales more than offset by gains in subscriptions. Second class postage rate hikes, averaging 18%, were implemented on April 3 of this year, a development that may have short-term consequences for subscription sales. Second class mail volume, some two-thirds of which is magazines, leveled off but did not decline when postage rates were last increased in February 1985.

The magazine industry has not been expanding as rapidly as other major end-use markets for coated papers. Commercial printing, in particular, has been growing rapidly in recent years. As a result, the share of total domestic coated paper shipments going to magazines declined from 40.1% in 1981 to 35.2% in 1987.

Technical note: Data on shipments of bleached bristols have been revised upward as a result of a change in classification of data reported to the API. The increase reflected a shift from bleached paperboard to bleached bristols, and the paperboard data were revised downward accordingly.

A2500-2

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

May 31, 1988

PRODUCTION (000 TONS)

	APRIL 1988	MARCH 1988	APRIL 1987	FIRST FOUR MONTHS 1988	FIRST FOUR MONTHS 1987	% CHANGE YR TO DATE 1988/1987
PAPER GRADES						
Newsprint	497	510	462	1,985	1,869	6.2
Printing & Writing	1,816	1,944	1,698	7,359	6,722	9.5
Uncoated Groundwood (s)	129	141	120	527	516	2.2
Coated Paper (s)	609	653	551	2,492	2,187	13.9
Uncoated Free Sheet Paper (s)	945	1,018	906	3,826	3,534	8.3
Thin Paper (s)	20	19	22	82	88	-6.6
Cotton Fiber Paper (s)	13	15	14	56	56	-0.4
Bleached Bristols (s)	101	97	86	377	341	10.5
Tissue Paper	444	474	432	1,801	1,733	3.9
Total Pkg & Other Paper	438	454	426	1,767	1,752	0.9
Unbl. Kraft Paper (s)	255	262	265	1,035	1,080	-4.2
Other Paper	183	192	160	733	672	9.0
TOTAL PAPER	3,196	3,382	3,019	12,912	12,075	6.9
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,529	1,696	1,494	6,428	6,030	6.6
Unbleached Kraft Linerboard	1,425	1,575	1,378	5,993	5,589	7.2
Other Unbl. Kraft Paperboard	104	121	116	435	441	-1.3
Semichemical Paperboard	447	492	462	1,882	1,873	0.5
Bleached Paperboard	377	374	377	1,497	1,480	1.2
Recycled Paperboard	754	766	713	2,987	2,805	6.5
TOTAL PAPERBOARD	3,107	3,327	3,047	12,794	12,188	5.0
TOTAL PAPER AND PAPERBOARD	6,303	6,710	6,066	25,706	24,264	5.9

WOOD PULP (ALL GRADES)	MARCH 1988	FEBRUARY 1988	MARCH 1987	THREE MONTHS 1988	THREE MONTHS 1987	% Change 88/87
Dissolving & Special Alpha	109	116	114	324	320	1.0
Bleached Sulfite) Unbleached Sulfite)	134	119	119	387	358	8.0
Bleached & Semi-Bl. Sulfate	2297	2087	2139	6640	6268	5.9
Unbleached Sulfate	1827	1774	1807	5497	5274	4.2
Semichemical	360	350	368	1085	1069	1.5
Groundwood & Thermomechanical	503	472	467	1492	1393	7.1
TOTAL PULP DIVISION DATA	5230	4919	5013	15425	14682	5.1

(s) - Shipments
P - Preliminary

MAY 31, 1988

	Full Year		INDUSTRY DATA 1987 - 1988	R	P	Ann. Rate Year - To - Date	% From Same Pd. Last Year
PAPER AND PAPERBOARD -- Tons (000)	1986	1987	February	March	April	1988	
Total Production (API).......: excluding :...	70,885	74,435	6,228	6,710	6,303	77,119	5.9
Total Seasonally Adjusted....:construction:...			6,390	6,410	6,431	76,808	5.0
Imports (including Products).: and wet :..E	11,597	12,528	1,012	1,173	1,100	12,957	4.3
Exports (including Products).: machine :..E	4,593	5,197	455	537	500	5,953	18.2
Apparent Consumption.........: grades :...	77,889 a	81,766 b	6,948	7,046	7,031	83,812 c	4.1
Paper Production % Tonnage Capacity...........	93.2 g	94.0	98.2	102.8	96.8	98.3	-
Paperboard Production % Tonnage Capacity......	94.3 g	96.8	99.9	99.7	96.2	98.5	-
			January	February	March		
IMPORTS.....:Including Construction and :...	11,936	12,837	1,056	1,032	1,199	13,147	3.3
EXPORTS.....: WMB Grades (excl. HPB) :...	4,687	5,304	500	466	548	6,060	18.5
			January	February	March		
MARKET WOOD PULP PRODUCTION - Tons (000)........	7,514	8,120	722	687	730	8,550	9.8
TOTAL WOOD PULP PRODUCTION - Tons (000).........	57,017	59,564	5,276	4,919	5,230	61,699	5.1
WOOD PULP IMPORTS - TONS (000)..................	4,502	4,850	390	429	432	5,003	-2.4
WOOD PULP EXPORTS - TONS (000)..................	4,458	4,889	391	444	491	5,302	15.3
RAW MATERIALS.CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			January	February	March		
Wood Pulp.............:consumption for:.....	57,072	59,488	5,231	4,926	5,210	61,465	3.9
Waste Paper...........:construction & :.....	17,236	18,348	1,567	1,504	1,624	18,782	5.3
TOTAL..........: WMB grades :.....	74,308	77,836	6,798	6,431	6,833	80,247	4.3
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	91,434	93,946	8,223	7,743	8,249	96,860	3.2
EMPLOYMENT (000)			February	March	April		
Paper and Allied Products..........Total......	674.3	678.2	677.8	678.1	677.9	677.9	0.6
Pulp, Paper and Board Mills........Total.....E	248.5	246.2	245.3	245.3	245.5	245.4	-0.4
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)			February	March	April		
Paper and Allied Products......................	11.14	11.41	11.49	11.50	11.57	11.52	2.4
Pulp, Paper Mills..........................E	13.58	14.00	14.07	14.13	14.15	14.09	2.3
Paperboard Mills...........................E	14.01	14.26	14.22	14.30	14.53	14.37	2.2
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1987 Q3	1987 Q4	1988 Q1		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	8.77	8.92	8.84	10.02	10.26	11.29 Y	26.6
INDEX OF OUTPUT PER MAN-HOUR (1977=100)..........			February	March	April		
:IN PULP, PAPER :...Production Workers..........	131.3	140.0	145.1	146.9	145.8	145.5	5.4
:AND BOARD MILLS:...All Employees...............	128.8	136.6	141.5	143.2	142.1	141.9	5.4
PAPER AND ALLIED PRODUCTS (Million $)			February	March	April		
Industry Shipments (Dept. of Commerce)*........	103,916	118,855	10,627	11,011	10,674	129,267	14.5
Pulp, Paper and Paperboard*...................	44,033	51,518	4,854	4,723	5,060	58,764	21.0
Inventories (End of Period) - Total Industry*..	10,429	11,284	11,501	11,450	11,529	11,529	6.6
Pulp, Paper and Paperboard*...................	4,115	4,266	4,347	4,300	4,358	4,358	4.1
			1987 Q2	1987 Q3	1987 Q4		
Sales (Corporations Only)......................	74,844	86,603	21,553	22,367	22,742	N.A	N.A
Earnings (Corporations Only)...................	3,280	4,989	1,206	1,433	1,354	N.A	N.A
Depreciation (Corporations Only)...............	3,389	3,827	942	988	946	N.A	N.A
Net Worth (Corporations Only)..................	31,221	35,162	32,843	33,843	35,162	N.A	N.A
PRICE INDEXES (Bureau of Labor Stats)1982=100			February	March	April		
Pulp, Paper & Products, ex. Building Grades....	107.5	114.3	119.6	120.7	122.6	120.5	7.2
Wood Pulp......................................	94.7	111.6	127.3	126.9	135.0	127.5	18.9
Waste Paper....................................	142.6	181.5	189.0	190.5	187.9	190.1	11.2
Paper..	107.0	111.5	118.7	119.7	121.0	119.4	8.4
Paperboard.....................................	106.5	118.1	122.8	127.1	132.6	126.3	9.6
PAPER DEMAND (INDEXED: 1977=100)			February	March	April		
Total Paper Production *.......................	128.0	133.8	139.0	139.7	140.3	139.3	6.0
Paper New Supply *.............................	133.7	140.6	143.2	149.1	148.4	146.2	5.6
Demand Indicators - (Weighted Average) *.....	146.7	154.4	160.3	160.4	160.1	159.9	6.2
Production of Nondurable Goods *...(21.2%).	130.1	136.8	141.2	141.5	142.0	141.5	6.0
Disposable Income ....*.(23.9%)	128.9	129.6	132.7	133.4	131.3	132.3	2.9
Total Printing and Publishing *...(54.9%).	166.9	172.0	179.6	179.5	179.7	179.1	7.3
Trend Factor	----------	----------	----------	Not Available	----------	----------	----------
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *..................	121.9	129.1	131.9	132.1	132.2	132.0	4.1
Production for Domestic Use	118.7	126.5	127.9	127.9	130.4	128.7	3.8
Demand Indicators - (Weighted Average) *.....	121.9	125.9	129.8	129.8	130.7	130.0	5.2
Production of Consumer Goods *...(62.06%)	124.1	127.7	131.5	131.2	131.9	131.5	4.3
Production of Equipment *...(5.75%)	143.7	148.8	155.3	156.1	156.9	155.3	6.7
Production of Materials *...(32.19%)	113.8	118.3	122.1	122.5	123.6	122.8	6.6
Trend Factor	----------	----------	----------	Not Available	----------	----------	----------
NEWSPRINT MARKETS			January	February	March		
Consumption by Publishers - Tons (000)..........	13,158	13,583	1,056	1,063	1,165	13,135	4.5
Newspaper Pub. and Printing Empl. Total(000)...	461	462	467	467	466	467	2.0
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (PIB, Inc.)...........	154,317	158,546	9,890	13,772	14,407	152,311	4.2
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	40,521	47,230	3,946	4,047	4,504	50,308	16.8
Inventories (End of Period).	3,552	3,831	4,016	3,965	4,086	4,086	14.3
FIBRE BOX DATA (Fibre Box Association)			February	March	April		
Fibre Box Shipments (Million square feet).......	283,921	297,827	24,739	27,259	26,053	308,604	4.9
Container'bd Inventory at Mill & Plant(000Tons).	2,230	2,486	2,509	2,513	2,541	2,541	7.0
RETAIL TRADE (Billion $)			February	March	April		
Total Retail Sales *...........................	1,437	1,509	130	132	132	1569	6.8
Nondurable Goods Stores Sales *...............	899	951	80	82	81	971	3.9
GENERAL ECONOMIC DATA			February	March	April		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	125.1	129.8	134.4	134.7	135.6	134.8	6.1
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1982=100).	100.2	102.8	104.6	104.9	105.0	105.0	3.8
CONSUMER PRICES (ALL ITEMS) (INDEX 1982 = 100)...	109.6	113.6	116.0	116.5	117.1	116.3	4.0
			January	February	March		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	586	621	619.8	619.2	620.9	620.9	8.1
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..			1987 Q3	1987 Q4	1988 Q1		
G.N.P. or Expenditure - Current $..............	4,235	4,489	4,524	4,607	4,669	4,669	6.6
G.N.P. or Expenditure - 1982 $.................	3,713	3,821	3,836	3,881	3,918	3,918	3.9

lb/capita			
Pap&Papbd	Othr	Totl	Popul(mil)
.a - 645	+ 18	= 663	241.6
.b - 671	+ 17	= 688	243.8
.c - 684	+ 17	= 701	244.7

.e - estimated by API

f - Wood Pulp Production excludes def., explo. & scrngs.

g - Adjusted for holiday shutdowns

Q - Quarter

R - Revised

Y - Full year estim. by U.S. Dept. of Com.

* - Seasonally Adjusted.

7/11/88

A 2500-2

Paper
Paperboard
& Wood Pulp

MONTHLY STATISTICAL SUMMARY - Vol. 66 No. 6

JUNE 1988

PAPER AND PAPERBOARD PRODUCTION: CONTINUED GROWTH

The growth trends visible in the total U.S. economy are fully reflected in the demand for paper and paperboard. The first quarter 1988 real GNP was 3.8% over its year-earlier level; the seasonally adjusted rate of paper and paperboard production in the first 5 months of 1988 was up 4.7%.

Growth in paper and paperboard imports has slowed to less than 4% per year, while exports are up sharply. New supply (production plus imports less exports) is about 3.8% ahead of its year-ago rate. This proxy for paper and paperboard consumption compares well with the increase in real GNP.

At the present time comparisons of current with year-ago rates overstate secular growth rates. Last year real GNP accelerated in the third and fourth quarters, as did growth in demand for paper and paperboard. Comparisons of current rates with the 1987 totals -- which roughly adjust for the more rapid second half 1987 growth -- show the estimated first quarter real GNP up 2.5%, paper and paperboard production up 3.1% and paper and paperboard new supply up 2.5%.

Most of the increase in real GNP can be traced to capital goods and exports; consumer purchases of goods and services also offered major support during the first quarter of this year. Employment rates continue high and inflation and interest rates are still moderate. The packaging sectors of the paper industry find important markets in consumer goods, while white papers are responding to the rising rates of activity in all sectors of the economy.

The growth of real GNP appears to be slowing from the rapid pace of the previous three quarters, another reason why comparison with year-ago levels presently overstate secular growth. The economic consensus suggests that while total economic activity will continue to rise during the remainder of the year, the rate will probably remain near the slower rate evident in the current quarter, a rate fairly close to the long-term trend.

Continued on page 2

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Demand by Grade

The seasonally adjusted rate of paper and paperboard production continued to inch up in May, bringing the five month 1988 rate to a record-high 76.8 million tons per year. The seasonal pattern itself is still in the process of change as producers shift their timing of maintenance and repair shutdowns away from the traditional July and December periods. This is evident in the unadjusted production totals (see table on page 3) for many of the paper and paperboard grades of this past month. The available data on new orders and inventories underscore the underlying strength in paper and paperboard markets.

Paper production in the January-May 1988 period reached a seasonally adjusted high of 38.6 million tons per year, 5.8% ahead of its year-ago level. The larger gains continue in communication papers -- newsprint, coated papers and uncoated free sheet papers. Shipments of bleached bristols are also showing large increases, with strength evident in most of the major sectors: tag stock, index and printing bristols and coated bristols.

The steepest growth among the various paper grades is in shipments of coated papers. At 7.4 million tons per year, the January-May 1988 total was 12.6% ahead of its year-earlier level and 8% above the total for all of 1987. The current rate was close to the reported capacity total of 7.6 million tons. The API's November 1987 Capacity Survey reported that coated paper capacity will rise to 8.1 million tons in 1989 and to 8.3 million tons in 1990.

The current strength in demand is spread across its major markets: periodicals, book publishing and commercial printing. Imports are augmenting the total supply of coated papers. The January-April 1988 rate of imports was 743,000 tons per year, 26% above its corresponding 1987 level. About one-third of these imports are coming from Canada, another third from Sweden and West Germany, with the remainder from a wide range of European and Far Eastern countries. These imports currently account for 9% of the new supply of coated papers.

Paperboard production, at a seasonally adjusted rate of 38.2 million tons per year in the first five months of 1988, was 3.6% ahead of its year-ago level and 1.9% above its 1987 total. The 1988 rate was equivalent to nearly 97% of the reported capacity. Paperboard capacity is scheduled to increase by 2.2%, to 40.4 million tons in 1989 and by 2.4%, to 41.4 million tons, in 1990.

The containerboard grades continue to account for the major paperboard gains. Unbleached kraft linerboard production was up 6.9%, with production for export showing a 7.2% gain. Total containerboard production for domestic use rose 5.2%, closely in line with the 5.1% gain reported for shipments of corrugated shipping containers. Inventories of containerboard at

Continued on page 11

PAPER AND PAPERBOARD STATISTICS

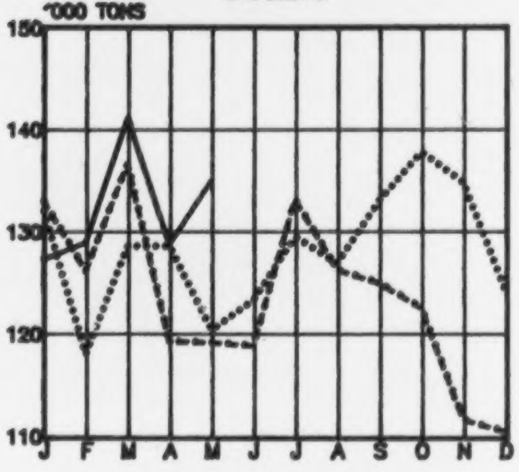
PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

	YEAR		FEBRUARY	MARCH	APRIL	MAY	Annual Rate Y-T-D	% Change From same Period Last Year
	1986	1987	1988 (P)	1988 (P)	1988 (P)	1988 (P)	1988	
PAPER								
Newsprint - Production	5,630	5,842	479	510	497	514	5,996	5.5
- Shipments	5,638	5,854	479	505	492	510	5,924	4.1
Printing & Writing Sum	19,668	20,780	1,767	1,944	1,816	1,780	21,935	8.6
Groundwood Paper - Shipments	1,540	1,485	129	139	127	135	1,578	3.4
- New Orders	1,553	1,542	137	131	125	156	1,636	5.9
-Unfilled Orders	124	181	197	190	188	213	213	82.2
Coated Papers - Shipments	6,263	6,860	593	653	609	600	7,422	12.6
- New Orders	6,334	7,099	583	646	634	623	7,471	10.1
- Unfilled Orders	469	734	692	694	714	737	737	30.3
Unctd Free Sheet - Shipments	10,410	10,977	919	1,020	947	921	11,401	7.3
- New Orders	10,485	11,189	917	1,032	991	923	11,535	8.6
- Unfilled Orders	587	777	746	767	804	801	801	45.0
Thin Papers - Shipments	271	251	24	19	20	18	240	-7.7
Cotton Fiber Paper - Shipments	152	163	14	15	13	14	167	1.0
Bleached Bristols - Production RS	1,033	1,044	89	97	101	93	1,128	9.3
Tissue Paper - Production	5,095	5,301	437	474	444	463	5,432	4.0
Total Packaging & Other Paper	5,117	5,068	435	454	439	422	5,256	2.0
Unbl. Kraft Paper - Shipments	3,303	3,075	255	262	255	235	3,049	-3.2
Other Paper - Production	1,814	1,993	180	192	183	187	2,206	10.2
TOTAL PAPER-Production-Unadj.	35,510	36,990	3,119	3,382	3,196	3,179	38,619	6.5
-Production-S.A.			3,202	3,217	3,232	3,247	38,602	5.8
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	27,336	28,944	2,380	2,571	2,362	2,499	29,556	3.8
Total Unbl. Kraft Paperboard	17,689	18,913	1,566	1,696	1,538	1,649	19,405	5.6
Unbl. Kraft Linerboard (1)	16,402	17,500	1,466	1,575	1,434	1,539	18,097	6.9
Production for Export	2,246	2,318	218	225	175	184	2,418	7.2
Other Unbl. Kraft Paperboard	1,287	1,280	101	121	104	110	1,308	-1.0
Semichemical Paperboard	5,376	5,600	454	492	447	491	5,694	1.7
Production for Export	213	189	11	15	10	10	135	-37.3
Solid Bleached Paperboard RS	4,222	4,420	360	383	377	360	4,457	-0.3
Production for Export	569	619	51	53	52	45	599	-10.5
Recycled Paperboard	8,092	8,506	717	771	754	761	8,996	6.4
Production for Export	70	75	5	7	6	7	76	59.0
TOTAL PAPERBOARD-Prod.-Unadj.	35,379	37,439	3,097	3,342	3,116	3,260	38,552	4.5
- Containerboard Prod.(Dom. Use)	21,426	23,016	1,880	2,035	1,891	2,038	23,616	5.2
- Boxboard Prod.(Dom. Use) (2)	5,863	6,026	505	539	529	506	6,275	3.3
- All Other P'bd Prod.(D.U.) (2)	4,992	5,196	427	468	453	470	5,434	4.8
- Total Paperbd Prod. for Export	3,097	3,201	285	301	243	246	3,228	1.3
TOTAL PAPERBOARD PROD.- S.A.			3,177	3,179	3,182	3,184	38,155	3.6
TOTAL PAPER AND PAPERBOARD								
Production - Unadj. (R)	70,889	74,429	6,215	6,724	6,312	6,439	77,171	5.5
Production - S.A.			6,379	6,396	6,414	6,431	76,757	4.7

(1)Includes all exports of kraft paperboard. R - Revised P - Preliminary S.A. - Seasonally Adjusted
(2)Data for unbl. kraft folding boxboard incl. in All Other P'bd. RS - Revised Series

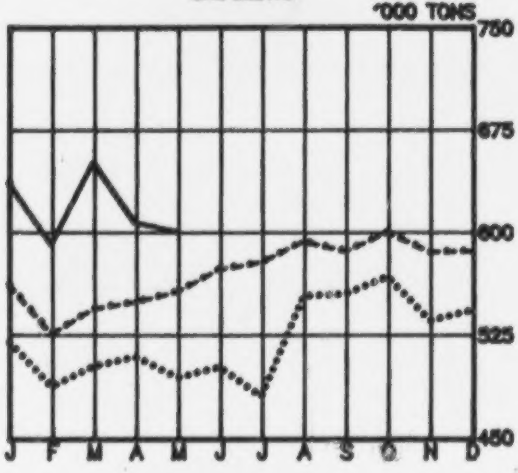
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



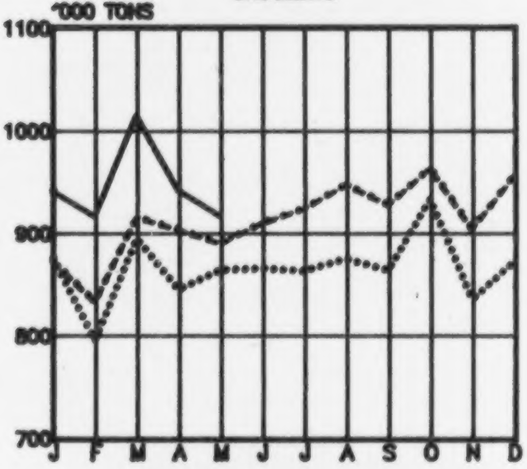
COATED PAPER

SHIPMENTS



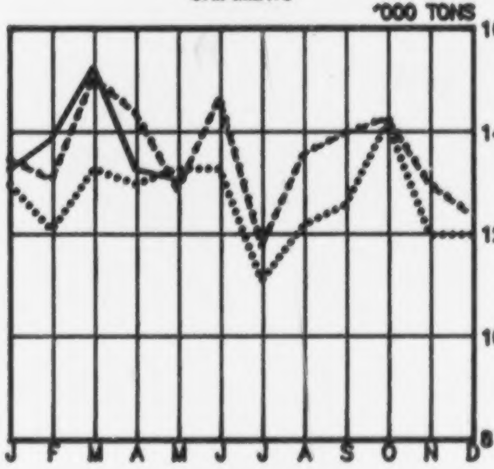
UNCOATED FREE SHEET PAPERS

SHIPMENTS



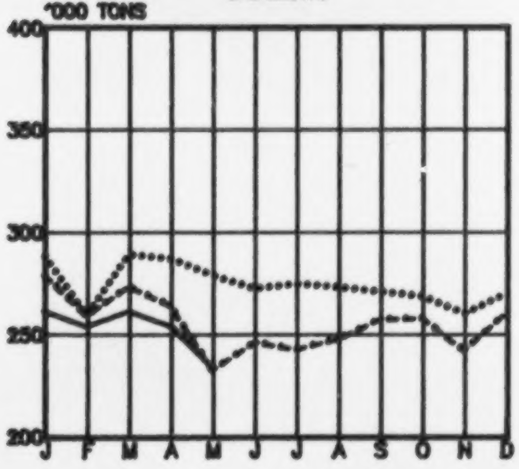
COTTON FIBER PAPER

SHIPMENTS



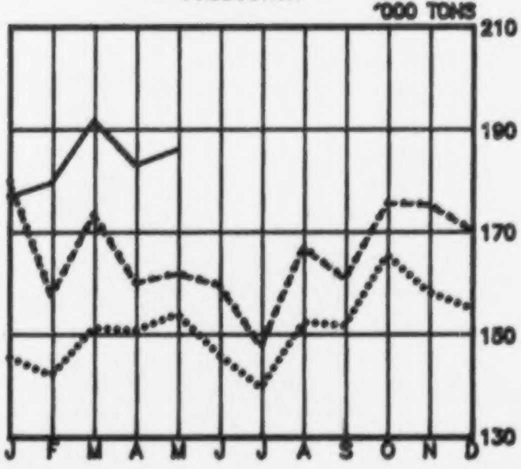
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1986 ········ 1987 - - - - - 1988 ———

WOOD PULP STATISTICS

(Thousands of Tons)

		YEAR 1986	YEAR 1987	JANUARY 1988	FEBRUARY 1988	MARCH 1988	APRIL 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
TOTAL WOOD PULP						R	P		
Total Wood Pulp	- Production	57,017	59,564	5,276	4,919	5,227	5,003	61,276	4.5
	- Imports	4,582	4,850	390	429	432	428	5,036	1.2
	- Exports	4,458	4,889	391	444	491	453	5,335	15.5
	- New Supply	57,140	59,525	5,276	4,903	5,169	4,978	60,977	3.3
Dissolving Pulp	- Production	1,258	1,312	98	116	109	105	1,285	0.0
	- Imports	255	198	20	21	26	21	263	15.6
	- Exports	711	752	67	41	78	81	803	2.7
	- New Supply	801	757	52	95	57	44	744	1.9
Paper Grades Chemical Pulp	- Production	46,081	48,293	4,285	3,981	4,259	4,034	49,676	4.5
	- Imports	4,220	4,456	353	374	378	370	4,429	-3.6
	- Exports	3,689	4,111	322	401	402	365	4,471	17.4
	- New Supply	46,612	48,637	4,316	3,954	4,235	4,039	49,633	2.7
Groundwood and Thermo-Mech.	- Production	5,487	5,714	517	472	500	510	6,000	8.5
	- Imports	108	197	16	34	28	37	345	121.2
	- Exports	59	26	1	2	11	6	61	116.8
	- New Supply	5,536	5,885	532	504	518	541	6,284	11.1
Semi-Chemical	- Production	4,191	4,246	376	350	360	354	4,315	1.0
	- Imports								
	- Exports.								
	- New Supply	4,191	4,246	376	350	360	354	4,315	1.0
MARKET WOOD PULP									
Total Market Wood Pulp	- Production	7,514	8,128	722	687	730	677	8,449	7.6
	- Imports	3,122	3,235	272	289	296	298	3,463	10.2
	- Exports	4,470	4,820	363	400	477	392	4,895	10.2
	- New Supply	6,166	6,543	631	576	549	583	7,018	7.1
Dissolving Pulp	- Production	1,234	1,308	98	116	109	104	1,283	0.4
	- Imports	212	154	19	19	18	20	228	28.3
	- Exports	718	775	57	45	85	62	747	3.5
	- New Supply	728	687	61	90	42	62	765	4.2
Paper Grades Chemical Pulp	- Production	6,264	6,806	623	570	619	571	7,148	8.9
	- Imports	2,831	2,975	245	246	261	261	3,038	6.3
	- Exports	3,752	4,045	306	355	391	330	4,147	11.5
	- New Supply	5,343	5,736	562	460	489	502	6,038	5.9
Groundwood Pulp and All Other	- Production	16	14	2	1	2	1	18	29.6
	- Imports	79	106	8	24	16	18	197	85.7
	- Exports	0	0	0	0	0	(0)	0	0.0
	- New Supply	96	120	9	26	18	19	215	79.1

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

FIBROUS RAW MATERIALS

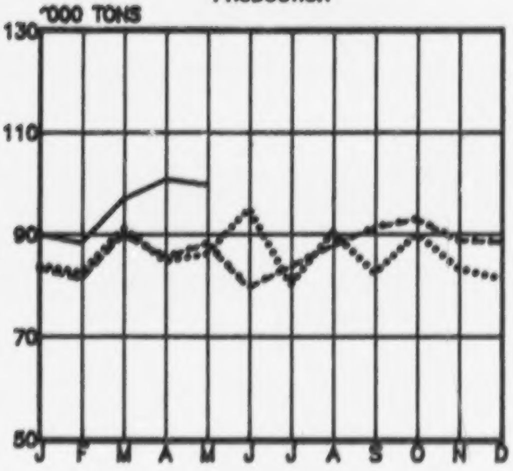
(Thousands of tons)

	YEAR 1986	YEAR 1987	JANUARY 1988	FEBRUARY 1988	MARCH 1988	APRIL 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
CONSUMPTION AT PAPER & PAPERBOARD MILLS					R	P		
Total	74,357	77,784	6,786	6,455	6,867	6,543	79,952	4.2
Total Wood Pulp	57,072	59,488	5,231	4,926	5,207	5,003	61,100	3.8
Waste Paper	17,285	18,296	1,555	1,529	1,660	1,540	18,852	5.4
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers' Own-Use Inventories	174	170	170	162	165	169	169	-9.2
Producers' Market Inventories	284	224	224	292	265	237	256	-14.6
Consumers' Purchased Inventories #	496	529	529	508	503	532	535	3.4
Waste Paper at Paper & Bd. Mills	838	920	920	867	871	926	942	12.3
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	16	12	12	15	13	12	13	-18.8

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API. # Includes all grades of wood pulp.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons

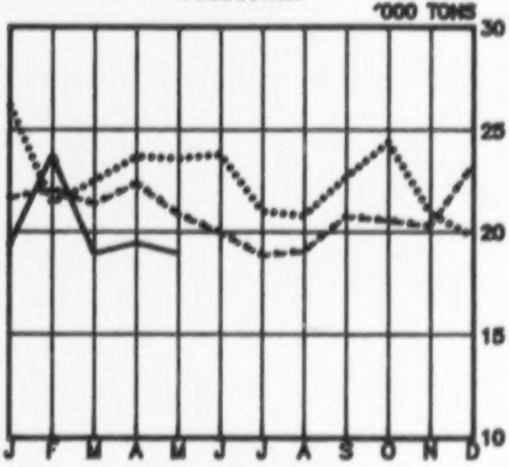
BLEACHED BRISTOLS

PRODUCTION



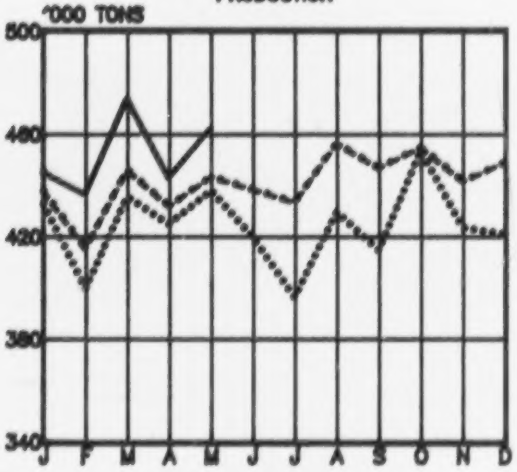
THIN PAPER

PRODUCTION



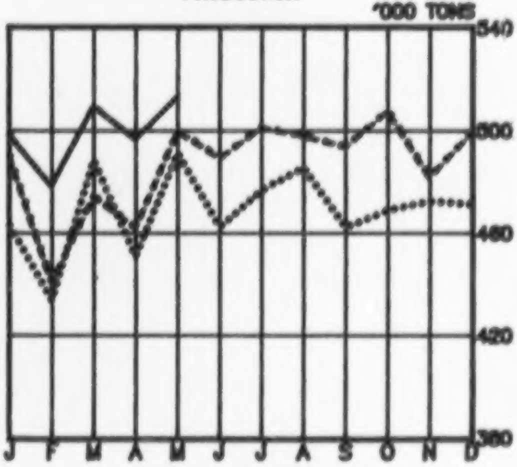
TISSUE PAPER

PRODUCTION



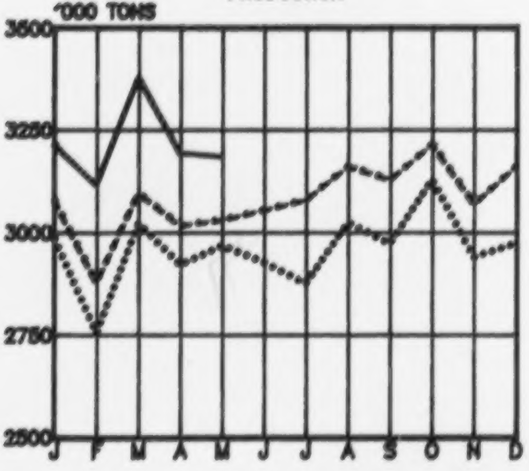
NEWSPRINT

PRODUCTION



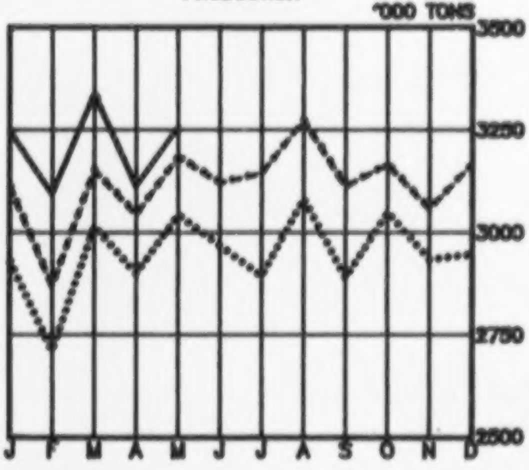
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1986 .... 1987 – – – – – 1988 ———

F I B R O U S   R A W   M A T E R I A L S
(Thousands of Standard (128 cubic foot) Cords)

PULPWOOD		YEAR 1986	YEAR 1987	JANUARY 1988	FEBRUARY 1988	MARCH 1988	APRIL 1988	Annual Rate Y-T-D 1988	% Change From Same Period Last Year
Total U.S.	- Total Receipts	90,943	94,312	7,737	7,924	8,345	7,911	95,751	1.2
	- Total Consumpt	91,434	93,946	8,223	7,743	8,249	8,137	97,056	3.3
	- Residues *	32,755	32,899	2,585	2,756	2,924	2,925	33,570	2.8
	- Inventories	4,794	5,096	4,629	4,777	4,942	4,642	4,642	-6.2
So. Atlantic	- Total Receipts	29,513	31,147	2,554	2,561	2,807	2,663	31,755	5.4
	- Total Consumpt	29,425	30,915	2,604	2,521	2,708	2,740	31,959	5.5
	- Residues *	9,343	9,553	810	837	903	865	10,245	15.5
	- Inventories	994	1,211	1,025	1,070	1,155	1,090	1,090	18.2
Northeast	- Total Receipts	7,277	6,941	607	606	621	456	6,870	-7.3
	- Total Consumpt	7,227	7,109	644	582	645	660	7,593	1.0
	- Residues *	1,419	1,543	118	129	158	144	1,647	3.0
	- Inventories	484	594	590	647	657	491	491	14.2
South Central	- Total Receipts	31,790	33,650	2,637	2,771	3,005	2,799	33,636	-1.3
	- Total Consumpt	32,113	33,059	2,810	2,742	2,981	2,754	33,885	2.3
	- Residues *	9,792	9,992	745	836	887	806	9,822	-5.7
	- Inventories	926	1,294	1,066	1,085	1,070	1,067	1,067	-3.1
North Central	- Total Receipts	6,571	6,552	675	666	589	482	7,236	9.7
	- Total Consumpt	6,730	6,764	652	557	595	508	7,176	6.3
	- Residues *	1,042	1,263	167	97	108	102	1,422	39.4
	- Inventories	892	830	873	989	1,000	891	891	-6.1
West	- Total Receipts	15,792	16,022	1,266	1,320	1,323	1,511	16,254	-1.1
	- Total Consumpt	15,939	16,099	1,425	1,341	1,320	1,395	16,443	1.1
	- Residues *	11,159	10,540	745	857	868	1,008	10,434	-3.0
	- Inventories	1,498	1,167	1,067	986	1,060	1,103	1,103	-28.7

* - Consumption of Residues in Cord Equivalents. SOURCE: American Pulpwood Association 21-Jun-88

U N I T E D   S T A T E S   T R A D E   W I T H   C A N A D A

IMPORTS FROM CANADA

	YEAR 1987 Tons	YEAR 1987 ($000's)	MARCH Tons	MARCH 1988 ($000)	APRIL Tons	APRIL 1988 ($000)	Annual Rate Y-T-D 1988 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	15,382	1,736	2,180	210	6,111	746	39,228	2520.4
Pulpwood chips	487,147	15,250	79,855	2,562	59,216	2,112	849,456	116.3
Wood Pulp, Total	4,320,114	1,842,019	369,645	181,630	347,775	176,251	4,277,217	-4.2
Waste Fibrous Materials, Total	186,286	36,423	24,646	5,250	18,161	3,690	246,528	34.5
Paper, Board & Products, Total	10,588,047	5,093,903	979,300	527,503	865,925	467,317	10,760,873	1.3
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	10,441,472	4,845,663	966,070	503,147	854,257	446,127	10,599,504	1.3
Paper, Paperboard & Products	10,365,412	5,027,943	962,045	522,190	850,227	462,253	10,561,220	1.0
Paper & Paperboard, Only	10,218,838	4,779,702	948,815	497,843	838,559	441,063	10,411,852	1.9
Paper, Total	9,961,198	4,698,148	926,777	490,581	818,196	433,883	10,149,886	1.8
Newsprint	8,588,309	3,956,147	785,371	406,193	686,739	353,992	8,568,213	-0.9
Printing, Writing & Rel. Pap.	1,111,641	601,978	115,001	69,343	108,247	66,400	1,282,760	21.2
Pack. & Ind. Conv. Paper	215,514	102,986	22,069	11,314	19,141	10,151	244,658	5.7
Special Industrial Paper	5,470	9,844	431	824	207	406	4,259	-36.2
Tissue Paper	40,257	27,194	3,825	2,900	3,062	2,934	49,995	43.1
Paperboard, Total	257,639	81,554	22,038	7,261	20,364	7,180	261,966	7.7
Convtd Paper&Paperbd Products	146,575	240,241	13,230	24,356	11,668	21,190	149,369	-3.9
Wet Machine Board	2,898	1,977	345	246	230	166	3,259	6.6
Construction Paper & Board	219,744	63,983	16,918	5,058	15,468	4,898	184,394	-22.7

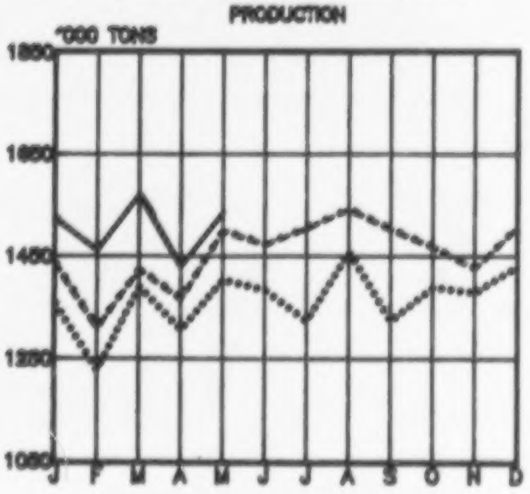
EXPORTS TO CANADA

	YEAR 1987 Tons	YEAR 1987 ($000's)	MARCH Tons	MARCH 1988 ($000)	APRIL Tons	APRIL 1988 ($000)	Annual Rate Y-T-D 1988 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	12,617	770	849	51	3,444	172	14,907	184.6
Pulpwood chips	61,575	4,014	4,933	320	4,519	225	41,820	-53.9
Wood Pulp, Total	190,921	75,956	20,546	6,730	33,737	9,112	280,527	43.0
Cotton Pulp & Other Pulp	50,200	14,775	5,924	1,677	5,741	1,603	85,057	140.6
Waste Paper	286,890	30,592	29,030	3,273	27,736	3,249	293,830	14.5
Paper, Board & Products, Total	957,434	590,429	97,511	65,609	100,052	61,103	1,406,052	59.4
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	712,494	398,256	74,032	44,838	76,684	41,147	1,143,817	60.1
Paper, Paperboard & Products	920,755	501,401	94,024	64,261	97,724	59,702	1,371,689	81.7
Paper & Paperboard, Only	675,815	381,300	71,346	43,490	73,557	39,746	1,100,655	71.5
Paper, Total	297,585	250,807	31,462	28,235	32,620	25,870	379,271	24.5
Newsprint	4,525	3,720	312	284	297	208	3,346	-33.5
Printing, Writing & Rel. Pap.	151,716	125,667	16,777	15,129	15,265	14,175	177,260	22.2
Pack. & Ind. Conv. Paper	25,826	17,841	2,805	2,133	4,399	2,982	44,399	67.3
Special Industrial Paper	110,107	97,080	11,058	10,036	12,200	7,803	149,130	20.1
Tissue Paper	5,411	6,490	430	654	379	622	5,129	37.7
Paperboard, Total	378,230	130,501	39,884	15,255	40,937	13,877	729,383	113.4
Convtd Paper&Paperbd Products	244,940	200,173	23,470	20,771	24,167	19,956	263,035	30.1
Wet Machine Board	10,212	4,028	423	163	429	165	6,036	-42.1
Construction Paper & Board	26,467	12,120	2,264	1,185	2,698	1,236	28,326	26.7

SOURCE: Bureau of Census, Department of Commerce . E - Estimate of tonnage based on square foot data 21-Jun-88

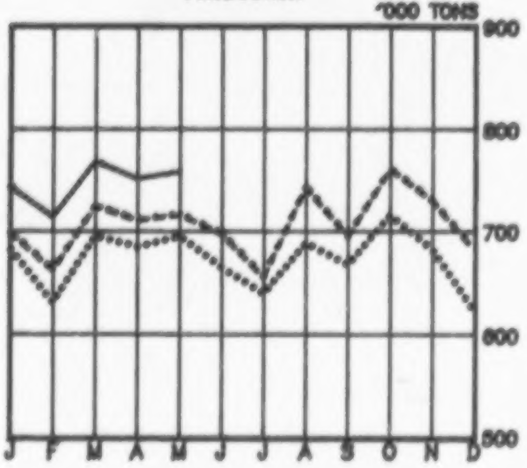
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



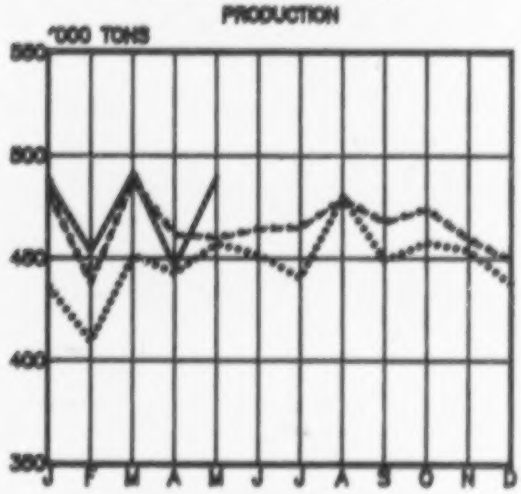
RECYCLED PAPERBOARD

PRODUCTION



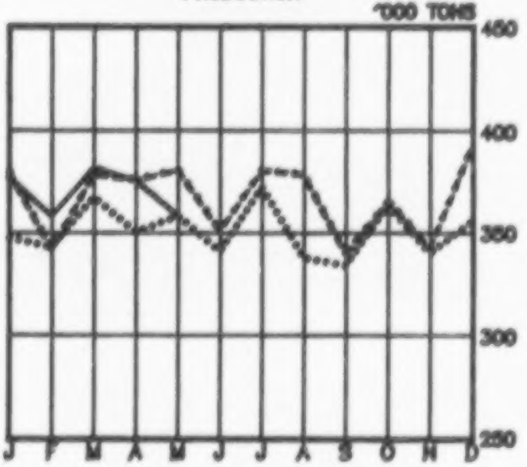
SEMICHEMICAL PAPERBOARD

PRODUCTION



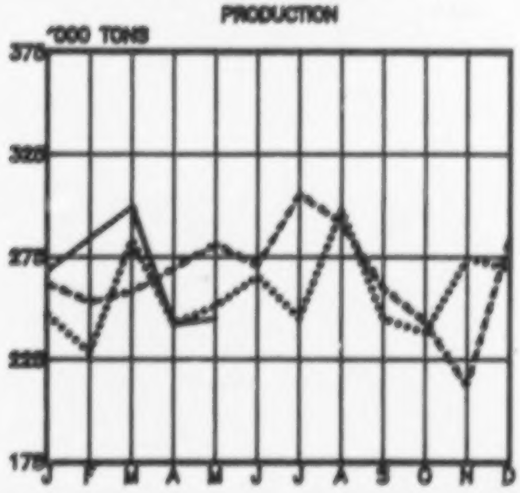
SOLID BLEACHED PAPERBOARD

PRODUCTION



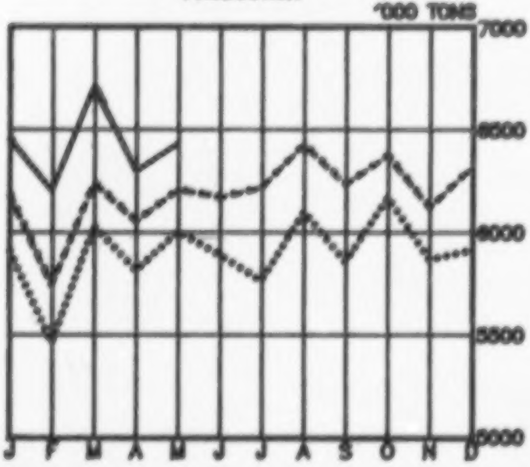
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1986 ········ 1987 - - - - - 1988 ———

IMPORTS

	YEAR 1987		1988		1988		(1) Annual Rate YTD 1988	% Change from same Period Last Year
	Tons	$000	MARCH Tons	MARCH $000	APRIL Tons	APRIL $000	Tons	
Pulpwood Roundwood (cords)	15,432	1,746	2,100	210	6,111	746	39,220	2390.7
Pulpwood Chips	525,629	15,476	80,419	2,580	61,130	2,151	861,036	74.3
Total All Imports	17,891,172	9,043,600	1,657,347	940,160	1,536,161	882,890	18,427,881	2.8
Wood Pulp Total	4,850,238	2,069,389	432,156	211,292	427,754	217,703	5,035,827	1.2
Waste Paper	127,398	19,231	16,307	2,704	13,106	2,023	170,131	58.4
Other Fibrous Materials	76,491	27,287	10,073	3,502	7,004	2,570	89,336	2.0
Paper Board & Products Total	12,837,046	6,927,693	1,198,811	722,662	1,088,136	660,515	13,124,586	3.0
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	12,435,486	5,995,122	1,161,996	631,925	1,056,035	575,867	12,726,593	3.4
Paper Ppbd & Prds ex Cnst&WMB	12,527,598	6,828,736	1,173,060	714,485	1,063,099	651,818	12,846,080	3.4
Paper & Paperboard Only	12,126,039	5,896,165	1,136,246	623,747	1,030,998	567,169	12,448,094	3.8
Paper Total	11,765,208	5,768,703	1,107,560	613,416	1,004,125	557,157	12,116,042	4.4
Newsprint	8,986,548	4,121,327	810,838	417,845	725,304	371,407	8,908,819	-0.9
Printing & Writing	2,410,216	1,412,450	263,034	171,873	247,090	163,437	2,832,082	25.3
Uncoated Groundwood	1,269,774	654,767	132,979	76,418	131,308	77,620	1,474,577	23.1
Coated Print.& Impreg. Pap.	674,531	467,865	72,272	56,001	60,037	52,906	742,066	25.7
Uncoated Free Sheet	417,395	249,943	52,403	34,299	43,263	29,101	558,119	34.7
Uncoated Book	210,624	119,775	24,305	15,760	16,085	10,442	227,014	7.7
Writing and Similar Paper	206,771	130,168	28,098	18,531	27,178	18,739	331,105	62.7
Thin (except Cigarette)	47,567	38,031	5,270	5,035	4,367	3,670	55,629	-1.3
Bristols	958	1,052	102	121	43	52	892	-3.3
Total Pkg & Other Paper	310,324	191,620	28,025	19,965	25,640	17,376	330,620	1.6
Unbleached Kraft Paper	168,420	69,828	15,855	7,294	14,133	6,431	174,725	2.9
Other Pkg. & Indust. Paper	141,904	121,792	12,970	12,671	11,507	10,945	155,895	0.2
Tissue	58,121	43,299	4,863	3,733	6,083	4,057	72,521	35.3
Paperboard, Total	360,031	127,461	28,686	10,331	26,873	10,013	332,052	-14.0
Test or Containerboard	88,981	29,352	4,602	1,967	5,362	2,338	72,251	-15.5
Semi-Chemical Corrugating	120,636	33,898	12,925	3,689	11,924	3,596	146,760	20.7
Other Paperboard	151,214	64,211	11,158	4,675	9,508	4,078	113,042	-38.0
Convtd Paper&Paperbd Products	401,559	932,571	36,815	90,738	32,102	84,648	397,994	-7.5
Paper Products, Total	368,179	866,121	33,470	84,652	28,973	78,841	362,583	-8.1
Paperboard Products, Total	33,380	66,450	3,345	6,086	3,129	5,807	35,411	-1.3
Wet machine Board	3,463	2,630	511	445	311	386	4,476	27.5
Construction Paper & Board	385,985	96,320	25,240	7,732	24,726	8,312	274,022	-13.9
Notes								
Other: No Weight Avail. ($000)		201,453		15,794		13,324	175,690	-16.2
Total Imports Incl. Other($000)		9,245,053		955,954		896,214	10,530,234	17.1

EXPORTS

	YEAR 1987 Tons	YEAR 1987 $000	1988 MARCH Tons	1988 MARCH $000	1988 APRIL Tons	1988 APRIL $000	(1) Annual Rate YTD 1988 Tons	% Change from same Period Last Year
Pulpwood, Roundwood (cords)	16,178	913	941	55	3,444	172	17,433	99.1
Pulpwood Chips	2,546,467	108,459	273,471	20,869	221,251	17,706	2,669,373	17.0
Total All Exports	14,797,437	6,007,818	1,537,743	650,823	1,397,422	612,621	16,831,213	20.2
Wood Pulp,Total	4,009,331	2,259,377	490,702	245,872	452,955	232,036	5,335,509	19.5
Cotton Pulp and Other Pulp	102,001	91,365	17,473	9,994	15,112	8,704	224,790	57.3
Waste and Old Paper	4,422,139	553,348	481,179	60,025	423,799	54,060	5,209,149	27.1
Paper, Board & Products,Total	5,303,966	3,103,728	548,389	342,132	505,556	317,021	6,061,765	17.0
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	4,578,770	2,280,329	474,286	250,069	439,491	233,493	5,278,698	17.7
Paper, Ppbd & Prod ex Cnst&WMB	5,196,613	3,044,586	537,349	336,461	495,352	312,572	5,938,612	17.9
Paper & Paperboard, Only	4,471,418	2,221,107	463,246	244,397	429,287	228,245	5,155,538	17.7
Paper, Total	921,397	776,181	93,196	84,684	94,098	81,653	1,062,001	15.9
Newsprint	339,773	210,093	28,329	19,479	31,401	22,223	337,052	-9.0
Printing & Writing	249,092	242,639	27,701	20,444	24,924	26,380	288,564	33.0
Uncoated Groundwood	55,841	39,750	7,365	5,594	5,606	4,532	67,324	55.1
Clay Coated Paper	100,039	72,145	10,306	8,540	9,345	7,567	111,844	19.0
Uncoated Free Sheet	67,858	99,330	7,491	10,899	7,485	11,134	79,280	43.9
Other Printing & Writing	24,554	31,414	2,540	4,211	2,488	3,147	30,116	23.3
Total Pkg. & Other Paper	294,201	292,659	32,181	32,515	31,980	29,466	381,722	20.5
Unbleached Kraft	89,194	40,758	8,548	3,652	8,622	4,134	102,272	10.3
Other Pkg. & Indust. Paper	205,007	251,901	23,634	28,862	23,358	25,332	279,450	32.7
Tissue	38,332	30,798	4,985	4,266	5,713	3,506	33,864	94.4
Paperboard, Total	3,550,021	1,444,926	370,051	159,713	335,190	146,592	4,093,537	10.2
Solid Wood Pulp	3,218,952	1,321,618	340,350	147,829	310,199	135,449	3,791,458	17.3
Total Linerboard	2,296,633	812,161	242,647	92,586	215,860	82,847	2,410,501	6.5
Bleached Kraft Linerboard	102,266	46,429	20,840	9,419	11,261	6,716	177,457	366.6
Unbleached Kraft Linerbd	2,194,367	765,731	221,807	83,167	204,607	76,131	2,233,044	0.4
Other Unbleached Kraft	218,566	78,596	30,096	11,100	20,346	8,758	621,414	166.0
Other Bleached Kraft	647,003	407,923	62,188	42,099	61,922	42,377	699,886	6.0
Semi-Chemical Corrugating	63,951	22,938	5,418	2,053	4,062	1,468	59,657	-19.9
Recycled Paperboard	331,069	123,308	29,701	11,884	26,991	11,143	302,079	30.4
Convtd Paper&Paperbd Products	725,196	823,399	74,102	92,064	66,065	84,328	783,074	10.9
Paper Products, Total	301,202	540,681	31,358	59,258	31,345	55,938	339,995	20.0
Paperboard Products, Total	423,994	282,718	42,745	32,805	34,721	28,389	443,080	10.0
Wet Machine Board	17,328	7,816	1,340	536	811	351	12,471	-43.4
Construction Paper & Board E	90,024	51,405	9,700	5,136	9,392	4,897	110,601	31.4
Notes								
Other: No Weight Avail. ($000)		8,037		840		590	8,702	12.2
Total Exports Incl. Other($000)		6,015,855		659,671		613,212	7,217,794	20.5

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.

(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description.

PRODUCER PRICE INDEXES

1982 = 100

	1986	1987	FEBRUARY 1988	MARCH 1988	APRIL 1988	MAY 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	107.5	114.3	119.9	120.7	122.6	124.1	121.2	7.7
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	106.9	113.2	118.7	119.5	121.5	123.1	120.1	7.7
Total Wood Pulp	94.7	111.5	122.9	126.9	135.0	137.2	128.5	19.0
Total Paper	107.0	102.0	118.1	119.7	121.0	122.0	119.8	8.8
Total Paper, exc. Newsprint	107.9	101.1	117.7	119.0	120.7	121.8	119.5	9.1
Newsprint	103.3	112.3	127.1	127.0	127.2	127.5	126.8	17.0
Total Paperboard	106.5	118.1	122.8	127.1	132.6	133.1	128.4	11.3
Total Paper and Paperboard *	106.8	107.1	119.6	122.0	124.6	125.5	122.5	9.6
Converted Products	109.4	114.7	118.3	118.9	119.8	122.0	119.5	5.4
Waste Paper	142.6	181.4	189.0	190.5	187.9	184.5	189.2	9.4
All Commodities	100.2	102.8	104.6	104.9	105.8	106.5	105.5	3.8
Industrial Commodities	100.0	102.6	104.4	104.7	105.6	106.1	105.2	3.8

SOURCE: Producer Pricw Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

PAPER AND ALLIED PRODUCTS INDUSTRY
SALES, EARNINGS AND BALANCE SHEET DATA

1979 - 1988

(Millions of Dollars)

	Net Sales	Net Profit Before Taxes	Net Profit Before Taxes To Net Sales (%)	Taxes	Net Profit After Taxes	Net Profit After Taxes To Net Sales (%)	Stock-holders Equity	Return on Equity (%)	Long-term Debt	Total Assets
1979	55,359	5,406	9.8	1,683	3,723	6.7	23,206	16.0	11,028	45,304
1980	59,333	4,318	7.3	1,275	3,042	5.1	25,889	11.8	11,850	50,040
1980R	56,250	4,045	7.2	1,245	2,800	5.0	24,396	11.5	10,585	45,894
1981	62,502	4,728	7.6	1,621	3,108	5.0	26,452	11.7	11,633	50,706
1981R	62,699	4,728	7.5	1,617	3,110	5.0	26,558	11.7	11,705	50,912
1982	60,293	2,120	3.5	660	1,460	2.4	26,705	5.5	13,149	52,915
1983	66,100	3,439	5.2	1,102	2,337	3.5	27,509	8.5	13,946	56,126
1983R	65,006	3,424	5.3	1,096	2,327	3.6	27,219	8.5	13,565	54,821
1984	71,891	4,812	6.7	1,798	3,015	4.2	28,160	10.7	13,802	58,520
1985	71,761	4,424	6.2	1,533	2,891	4.0	29,780	9.7	15,262	62,613
1985R	71,465	4,399	6.2	1,519	2,880	4.0	29,694	9.7	15,262	62,505
1986	74,896	5,318	7.1	2,025	3,293	4.4	31,254	10.5	18,920	69,132
1986R	74,844	5,298	7.1	2,018	3,280	4.4	31,221	10.5	18,906	69,082
1987	86,603	8,077	9.3	3,088	4,989	5.8	35,162	14.2	20,152	76,791
1987R										
First Quarter	87,912	7,420	8.4	2,948	4,472	5.1	35,922	12.4	21,193	79,108
Second Quarter	95,200	8,668	9.1	3,384	5,284	5.6	36,797	14.4	21,033	80,716
Third Quarter	98,840	10,072	10.2	3,724	6,344	6.4	38,040	16.7	21,401	82,820
Fourth Quarter	100,352	9,280	9.2	3,296	5,980	6.0	39,217	15.2	22,417	85,279
Total	95,576	8,860	9.3	3,338	5,520	5.8	39,217	14.1	22,417	85,279
1988										
First Quarter	102,016	10,824	10.6	3,848	6,976	6.8	40,213	17.3	22,950	86,854

NOTE: Quarterly data are at annual rates.
R=Revised to reflect changes in the number of companies classified to this industry.

SOURCE: Quarterly Financial Report for Manufacturing, Mining, and Trade Corporations - Bureau of the Census, U.S. Department of Commerce.

mills and boxplants were equivalent to 5.7 weeks of supply as of June 1, 1988, compared to 5.6 weeks of supply one year earlier.

Boxboard production continues to show moderate growth. Production of boxboard for domestic use was 3.3% above its year-earlier total in the first five months of 1988. This total includes the solid bleached and recycled folding boxboard grades, set up boxboard and milk carton and food service paperboard. The growth was concentrated in recycled folding boxboard and milk carton stock.

Production of the other paperboard grades for domestic use gained 4.8% in this period, sparked by strong increases in tube, can and drum stock.

FIBROUS MATERIALS

Chemical paper grade market wood pulp production declined by 7% from April to May 1988, largely as a result of maintenance, repair and retrofitting shutdowns. Data available on shipments of market pulp in some of the other major producing countries continue to reflect a strong demand pattern. Inventories of market pulp at pulp mills remain relatively low: as of the end of May 1988 they were 12% below their year-ago level, equivalent to 13 days of supply.

Inventories of market pulp held by consumers are also relatively low. As of the end of April 1988 they were equivalent to 32 days of consumption. In the period from January 1987 through April 1988 the level of inventories held in the 30 to 35 days of consumption range.

U.S. chemical paper grade market pulp mills ship about 59% of their output to the export market. Data collected by API's Pulp Group show the major markets to be Western Europe, which received about 42% of the export total; Japan, 22%; the Asian/African countries 20%.

CAPITAL EXPENDITURES

The Department of Commerce recently reported that paper companies are continuing to increase their expenditures on new plant and equipment, setting new highs in each of the past three years. Their estimates for 1988 expenditures are now at $11.37 billion, which is $80 million higher than their April estimate. This indicates that the 1988 expenditures total will be 27% ahead of the 1987 high and about twice such expenditures in the recession year of 1982.

That same report also shows that expenditures on new plant and equipment will rise steadily throughout 1988, from a $9.6 billion per year rate in the first quarter to $12.9 billion in the final quarter of the year. Virtually all the manufacturing industries reported are projected to follow a

Continued on page 12

similar pattern. The total non-durable goods manufacturing category, for example, is expected to increase its expenditures from a first quarter 1988 level of $82.4 billion per year to $88.8 billion in the fourth quarter.

A recently-released report by DRI/McGraw Hill confirms and extends the trends shown by the Commerce report. This report is in reasonably close agreement with Commerce for 1988 expenditures -- it shows a 30% increase over the 1987 total -- but also shows further growth of 2.6% in 1989.

DRI/McGraw Hill also publishes a report on Research and Development expenditures. Their latest one, issued in June 1988, shows that paper companies are continuing to spend about $1 billion per year on R&D, with a 1990 total projected at $1.1 billion. According to this survey, these totals are equivalent to about 1% of sales and 10% of capital expenditures.

SALES AND EARNINGS

Newly-released data by the Department of Commerce's Bureau of the Census confirm the impact of the high rates of paper and paperboard production on the sales and profits of the paper companies. In its first quarter 1988 Quarterly Financial Report for Manufacturing, Mining and Trade companies, Census reported that sales of paper and allied products companies in the first quarter of 1988 were 16% ahead of their year-ago total; before-tax profits up 46% and after-tax profits up 56%. This translates into a 6.8% ratio of after-tax profits to sales, the highest such ratio since 1979.

At the same time, however, The Census Bureau increased the number of companies classified in the paper industry, although the Bureau does not identify the companies included in this classification. This change in the composition of the paper industry added $9 billion to the 1987 sales total, raising it to $95.6 billion. The first quarter 1988 sales total was reported at $25.5 billion -- a rate of more than $100 million per year. Before-tax profits, at $2.707 billion, were equivalent to 10.6% of sales; after-tax profits $1.744 billion.

The table on page 10 shows the new quarterly data for all of 1987 and the first quarter of 1988, together with the older annual data for the period from 1979 to 1987.

A2500-2

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

June 30, 1988

PRODUCTION (000 TONS)

	MAY 1988	APRIL 1988	MAY 1987	FIRST FIVE MONTHS 1988	1987	% CHANGE YR TO DATE 1988/1987
PAPER GRADES						
Newsprint	514	497	500	2,498	2,369	5.5
Printing & Writing	1,780	1,816	1,693	9,140	8,415	8.6
Uncoated Groundwood (s)	135	127	119	657	635	3.4
Coated Paper (s)	600	609	558	3,092	2,746	12.6
Uncoated Free Sheet Paper (s)	921	947	893	4,751	4,426	7.3
Thin Paper (s)	18	20	21	100	109	-7.7
Cotton Fiber Paper (s)	14	13	13	70	69	1.0
Bleached Bristols (s)	93	101	89	470	430	9.3
Tissue Paper	463	444	444	2,263	2,177	4.0
Total Pkg & Other Paper	422	439	396	2,190	2,148	2.0
Unbl. Kraft Paper (s)	235	255	233	1,271	1,313	-3.2
Other Paper	187	183	162	919	834	10.2
TOTAL PAPER	3,179	3,196	3,032	16,091	15,108	6.5
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,649	1,538	1,626	8,085	7,656	5.6
Unbleached Kraft Linerboard	1,539	1,434	1,503	7,540	7,052	6.9
Other Unbl. Kraft Paperboard	110	104	110	545	551	-1.0
Semichemical Paperboard	491	447	461	2,372	2,333	1.7
Bleached Paperboard	360	377	382	1,857	1,862	-0.3
Recycled Paperboard	761	754	719	3,748	3,524	6.4
TOTAL PAPERBOARD	3,260	3,116	3,187	16,063	15,376	4.5
TOTAL PAPER AND PAPERBOARD	6,439	6,312	6,220	32,155	30,483	5.5

WOOD PULP (ALL GRADES)	APRIL 1988	MARCH 1988	APRIL 1987	FIRST FOUR MONTHS 1988	1987	% CHANGE YR TO DATE 1988/1987
Dissolving & Special Alpha	105	109	108	428	429	0.0
Bleached Sulfite)	125	134	119	512	477	7.4
Unbleached Sulfite)						
Bleached & Semi-Bl. Sulfate	2,162	2,297	2,103	8,802	8,371	5.1
Unbleached Sulfate	1,748	1,827	1,732	7,245	7,005	3.4
Semichemical	354	360	356	1,438	1,425	1.0
Groundwood & Thermomechanical	510	500	450	2,000	1,843	8.5
TOTAL PULP DIVISION DATA	5,003	5,227	4,867	20,425	19,549	4.5

(s) - Shipments
P - Preliminary

JUNE 30, 1988	Full Year		INDUSTRY DATA 1987 - 1988	R	P	Ann. Rate Year - To - Date	% From Same Pd. Last Year
PAPER AND PAPERBOARD -- Tons (000)	1986	1987	March	April	May	1988	
Total Production (API).......: excluding :...	70,889 R	74,429 R	6,724	6,312	6,439	77,171	5.5
Total Seasonally Adjusted....:construction:...			6,396	6,414	6,431	76,756	4.7
Imports (including Products).: and wet :..E	11,597	12,528	1,173	1,063	N.A.	12,965	N.A.
Exports (including Products).: machine :..E	4,593	5,197	537	495	N.A.	5,951	N.A.
Apparent Consumption.........: grades :...	77,893 a	81,760 b	7,032	6,981	(500)	83,770 c	3.8
Paper Production % Tonnage Capacity...........	93.2 g	94.0	102.8	96.8	93.4	97.3	-
Paperboard Production % Tonnage Capacity......	94.3 g	96.8	100.1	96.5	98.3	98.5	-
			February	March	April		
IMPORTS.....:Including Construction and :...	11,936	12,837	1,032	1,199	1,008	13,125	3.0
EXPORTS.....: WMB Grades (excl. HPB) :...	4,687	5,304	466	548	506	6,062	17.8
			February	March	April		
MARKET WOOD PULP PRODUCTION - Tons (000).........	7,514	8,128	687	730	677	8,449	7.5
TOTAL WOOD PULP PRODUCTION - Tons (000)..........	57,017	59,564	4,919	5,227	5,003	61,276	4.5
WOOD PULP IMPORTS - TONS (000)...................	4,582	4,850	429	432	428	5,036	1.2
WOOD PULP EXPORTS - TONS (000)...................	4,458	4,889	444	491	453	5,335	15.5
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			February	March	April		
Wood Pulp............:consumption for:.....	57,072	59,488	4,926	5,207	5,003	61,100	3.8
Waste Paper..........:construction & :.....	17,236	18,296	1,529	1,661	1,540	18,852	5.4
TOTAL.........: WMB grades :.....	74,308	77,784	6,455	6,868	6,543	79,952	4.2
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	91,434	93,946	7,743	8,249	8,137	97,056	3.3
EMPLOYMENT (000)			March	April	May		
Paper and Allied Products..........Total......	673.7	679.0	683.8	684.1	686.8	683.8	1.5
Pulp, Paper and Board Mills........Total.....E	248.1	244.9	244.1	244.2	244.7	244.2	-0.3
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)			March	April	May		
Paper and Allied Products......................	11.18	11.42	11.52	11.59	11.68	11.57	2.1
Pulp, Paper Mills..........................E	13.63	14.00	14.13	14.15	14.30	14.12	2.1
Paperboard Mills...........................E	13.98	14.30	14.30	14.53	14.59	14.41	2.0
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1987 Q3	1987 Q4	1988 Q1		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	8.77	8.92	8.84	10.02	9.58	11.37 Y	27.5
INDEX OF OUTPUT PER MAN-HOUR (1977=100)..........			March	April	May		
:IN PULP, PAPER :...Production Workers..........	131.4	140.4 R	146.9	145.8	143.2	145.1	4.4
:AND BOARD MILLS:...All Employees...............	128.8	137.1 R	143.5	142.3	140.3	141.9	4.7
PAPER AND ALLIED PRODUCTS (Million $)			March	April	May		
Industry Shipments (Dept. of Commerce)*........	103,916	118,855	10,674	10,990	11,043	129,866	14.7
Pulp, Paper and Paperboard*................	44,033	51,518	4,723	5,039	4,920	58,769	20.9
Inventories (End of Period) - Total Industry*..	10,429	11,284	11,450	11,534	11,544	11,544	5.8
Pulp, Paper and Paperboard*................	4,115	4,266	4,300	4,355	4,348	4,348	3.5
			1987 Q3	1987 Q4	1988 Q1		
Sales (Corporations Only)......................	74,844	95,576	24,710	25,088	25,504	102,016	16.0
Earnings (Corporations Only)...................	3,280	5,520	1,586	1,495	1,744	6,976	56.0
Depreciation (Corporations Only)...............	3,389	4,279	1,108	1,051	1,169	4,676	10.2
Net Worth (Corporations Only)..................	31,221	39,217	38,040	39,217	40,213	40,213	11.9
PRICE INDEXES (Bureau of Labor Stats)1982=100			March	April	May		
Pulp, Paper & Products, ex. Building Grades....	107.5	114.3	120.7	122.6	124.1	121.2	7.7
Wood Pulp......................................	94.7	111.6	126.9	135.0	137.2	128.5	19.0
Waste Paper....................................	142.6	181.8	190.5	187.9	184.5	189.0	9.3
Paper..	107.0	111.5	119.7	121.0	122.0	119.8	8.8
Paperboard.....................................	106.5	118.1	127.1	132.6	133.1	127.7	10.6
PAPER DEMAND (INDEXED: 1977=100)			March	April	May		
Total Paper Production *......................	128.0	133.8	139.3	140.0	140.6	139.3	5.8
Paper New Supply *............................	133.7	140.6	148.9	145.6	148.5	145.9	5.4
Demand Indicators - (Weighted Average) *.....	146.7	154.4	160.9	161.0	161.0	160.3	6.0
Production of Nondurable Goods *...(21.2%).	130.1	136.8	141.8	142.1	141.8	141.6	5.8
Disposable Income ....*.(23.9%)	128.9	129.6	133.3	131.2	132.0	132.1	2.6
Total Printing and Publishing *...(54.9%).	160.9	172.0	180.3	181.3	181.0	179.8	7.1
Trend Factor	----------------	----------------	-------- Not Available	--------	--------	--------	--------
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *.................	121.9	129.2	131.8	131.9	132.0	131.8	3.6
Production for Domestic Use	118.7	126.5	127.6	130.0	130.0	128.8	3.5
Demand Indicators - (Weighted Average) *.....	121.9	125.9	129.8	130.5	131.1	130.2	5.1
Production of Consumer Goods *...(62.06%)	124.1	127.7	131.2	131.6	132.0	131.5	4.1
Production of Equipment *...(5.75%)	143.7	148.8	156.0	156.7	157.6	156.0	7.1
Production of Materials *...(32.19%)	113.8	118.3	122.5	123.8	124.5	123.2	6.7
Trend Factor	----------------	----------------	-------- Not Available	--------	--------	--------	--------
NEWSPRINT MARKETS			February	March	April		
Consumption by Publishers - Tons (000).........	13,158	13,583	1,063	1,167	1,122	13,224	3.0
Newspaper Pub. and Printing Empl. Total(000)...	461	471	476	475	475	476	2.0
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (PIB, Inc.)...........	154,317	159,362	13,772	14,407	15,102	159,540	4.0
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	38,245 R	44,741 R	4,047	4,600	4,083	50,028	22.0
Inventories (End of Period).	3,577 R	3,850 R	3,955	4,120	4,156	4,156	15.7
FIBRE BOX DATA (Fibre Box Association)			March	April	May		
Fibre Box Shipments (Million square feet).......	283,921	297,827	27,259	26,059	24,986	306,864	5.1
Container'bd Inventory at Mill & Plant(000Tons).	2,238	2,486	2,512	2,550	2,593	2,593	8.7
RETAIL TRADE (Billion $)			March	April	May		
Total Retail Sales *..........................	1,437	1,509	132	132	132	1,572	6.6
Nondurable Goods Stores Sales *...............	899	951	82	81	82	973	3.8
GENERAL ECONOMIC DATA			March	April	May		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	125.1	129.8	134.7	135.5	136.0	135.0	6.1
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1982=100).	100.2	102.8	104.9	105.8	106.5	105.3	3.8
CONSUMER PRICES (ALL ITEMS) (INDEX 1982 = 100)...	109.6	113.6	116.5	117.1	117.5	116.6	3.9
			February	March	April		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	586	621	619.2	620.9	626.9	626.9	9.1
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..			1987 Q3	1987 Q4	1988 Q1		
G.N.P. or Expenditure - Current $..............	4,235	4,489	4,524	4,607	4,665	4,665	6.6
G.N.P. or Expenditure - 1982 $.................	3,713	3,821	3,836	3,881	3,915	3,915	3.8

lb/capita Pap&Papbd	Othr		Totl	Popul(mil)
.a - 645	+ 18	=	663	241.6
.b - 670	+ 17	=	687	243.8
.c - 683	+ 17	=	700	244.7

.e - estimated by API

E - Wood Pulp Production excludes def., explo. & scrngs.

g - Adjusted for holiday shutdowns

Q - Quarter

R - Revised

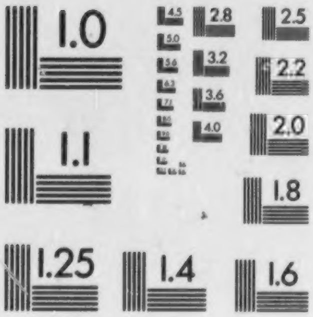
Y - Full year estim. by U.S. Dept. of Com.

* - Seasonally Adjusted.

MILLIMETERS

ONE DECIMETER

MICROCOPY RESOLUTION TEST CHART
NBS - 1010a
(ANSI and ISO TEST CHART No. 2)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Paper
Paperboard
& Wood Pulp

MONTHLY STATISTICAL SUMMARY · Vol. 66 No. 7 JULY 1988

PAPER AND PAPERBOARD PRODUCTION: SLOW GROWTH AT RECORD HIGH LEVELS

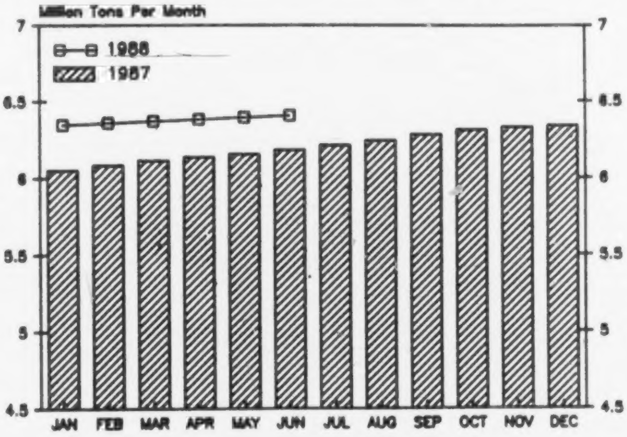
The June rate of paper and paperboard production continued the upward trend that started in mid-1985. Preliminary data show a record-high 76,530,000 tons per year in the first half of 1988, topping its comparable 1987 level by 4.2%. The data are seasonally adjusted, unless otherwise noted.

The year-to-year changes, however, overstate the rate at which paper and paperboard production is currently growing. Last year production grew at the rate of 5.4% per year from the first to the fourth quarters. The growth rate slowed significantly, to 2% per year, in the first two quarters of 1988. The seasonal factors themselves are changing as mills shift maintenance and repair time to the second quarter months.

This tempering of current growth has affected paperboard more than paper. From the fourth quarter of 1987 to the second quarter of 1988, paper production rose at a 3% per year rate while paperboard increased only 0.4% annually.

The chart at the bottom of this page shows the changing pattern of paper and paperboard production during the past eighteen months. If production follows its current trend for the rest of 1988, lower year-to-year growths will be recorded.

PAPER & PAPERBOARD PRODUCTION: 1987–1988



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In terms of year-to-year changes, the strongest growth among the paper grades in the first half of 1988 continued in the printing-writing grades, reflecting major increases in shipments to such important markets as periodicals, commercial printers and office reprographics. Exports also showed a large percentage gain, but the tonnages involved remain relatively small (see table on page 9).

Unbleached kraft and recycled paperboard continued to lead growth in total paperboard production, largely reflecting strength in domestic demand. Production of containerboard for domestic use increased 4.6% from the first half of 1987 to the first half of 1988. Fiber box shipments rose 4.4% in this period. However, as described earlier for paperboard, fiber box shipments also slowed perceptibly, to a 0.7% per year rate during the first half of 1988. During the past three months containerboard inventories rose 120,000 tons, bringing them to 5.9 weeks of supply.

SALES AND EARNINGS

Data reported by 25 paper and allied products companies for the first two quarters of 1988 show total sales up 17.8% and net profit after taxes up 59.4%. These companies account for about half the sales of all paper and allied products companies.

These gains brought the ratio of after-tax profits to sales for these companies to 8.3% in the second quarter of 1988. The current rate represents a recovery from the 4.1% profits/sales ratio realized in the 1980-1986 period. This may be compared to the 5.1% average of this ratio for all paper and allied products companies for 1960-1980 period and the 6.7% for the peak year 1979.

The table below presents the data for sales and earnings of these paper companies, together with similar data for four forest products companies with major paper capacity.

SALES AND EARNINGS

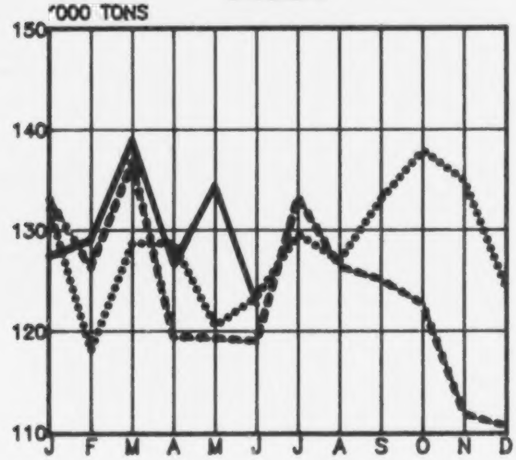
	SALES	% CHANGE		EARNINGS		% CHANGE	EARNINGS/SALES	
	1988	1987	1988	1987	1988	1987	1988	1987
	(MILLION DOLLARS)		88/87	(MILLION DOLLARS)			%	%
25 PAPER AND ALLIED PRODUCTS COMPANIES								
QTR I	14,548	12,083	20.4	1,114	645	72.6	7.6	5.3
QTR II	15,180	13,154	15.4	1,262	845	49.3	8.3	6.4
SUM	29,729	25,238	17.8	2,375	1,490	59.4	8.0	5.9
4 WOOD PRODUCTS COMPANIES								
QTR I	4,502	3,931	14.5	275	205	34.0	6.1	5.2
QTR II	5,108	4,388	16.4	315	279	12.7	6.2	6.4
SUM	9,609	8,320	15.5	589	484	21.7	6.1	5.8

PAPER AND PAPERBOARD STATISTICS

PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

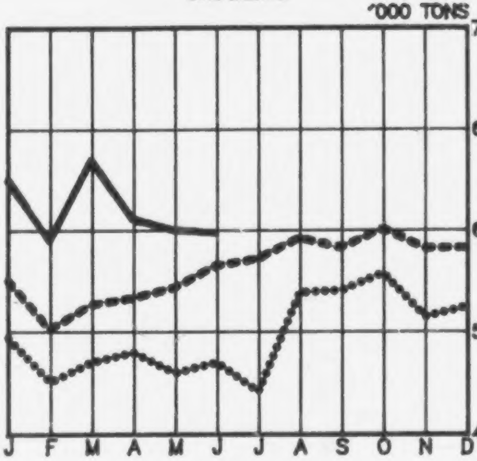
	YEAR 1986	YEAR 1987	MARCH 1988 (P)	APRIL 1988 (P)	MAY 1988 (P)	JUNE 1988 (P)	Annual Rate Y-T-D 1988	% Change From same Period Last Year
PAPER								
Newsprint - Production	5,630	5,842	510	497	514	490	5,977	4.5
- Shipments	5,638	5,854	505	492	510	495	5,925	3.3
Printing & Writing Sum	19,668	20,780	1,944	1,816	1,780	1,735	21,749	7.3
Groundwood Paper - Shipments	1,540	1,485	139	127	135	123	1,560	3.4
- New Orders	1,553	1,542	131	125	156	128	1,618	4.4
-Unfilled Orders	124	181	196	194	209	221	221	66.3
Coated Papers - Shipments	6,263	6,860	653	609	600	599	7,382	11.2
- New Orders	6,334	7,099	646	634	622	598	7,420	6.7
- Unfilled Orders	469	734	704	723	724	733	733	14.8
Unctd Free Sheet - Shipments	10,410	10,977	1,020	947	921	899	11,298	5.8
- New Orders	10,485	11,189	1,032	991	923	909	11,431	6.8
- Unfilled Orders	587	777	776	812	785	812	812	45.6
Thin Papers - Shipments	271	251	19	20	18	18	235	-8.5
Cotton Fiber Paper - Shipments	152	163	15	13	14	13	165	-1.3
Bleached Bristols - Production RS	1,033	1,044	97	101	93	84	1,108	8.7
Tissue Paper - Production	5,095	5,301	474	444	463	450	5,427	3.7
Total Packaging & Other Paper	5,117	5,068	454	438	419	421	5,215	2.1
Unbl. Kraft Paper - Shipments	3,303	3,075	262	255	236	241	3,024	-3.1
Other Paper - Production	1,814	1,993	192	183	183	180	2,191	10.2
TOTAL PAPER-Production-Unadj.	35,510	36,990	3,382	3,195	3,176	3,096	38,368	5.6
-Production-S.A.			3,194	3,205	3,216	3,226	38,396	5.0
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	27,336	28,944	2,571	2,362	2,503	2,416	29,470	3.1
Total Unbl. Kraft Paperboard	17,689	18,913	1,696	1,538	1,653	1,583	19,346	4.4
Unbl. Kraft Linerboard (1)	16,402	17,682	1,575	1,434	1,543	1,477	18,043	4.7
Production for Export	2,246	2,318	225	175	183	191	2,395	4.7
Other Unbl. Kraft Paperboard	1,287	1,232	121	104	110	106	1,303	0.8
Semichemical Paperboard	5,376	5,600	492	447	491	466	5,677	1.4
Production for Export	213	189	15	10	10	9	130	-40.4
Solid Bleached Paperboard RS	4,222	4,420	383	377	360	366	4,447	0.4
Production for Export	569	619	53	52	45	53	605	-5.7
Recycled Paperboard	8,092	8,506	771	754	761	734	8,964	6.1
Production for Export	70	75	7	6	7	6	75	44.4
TOTAL PAPERBOARD-Prod.-Unadj.	35,379	37,439	3,342	3,116	3,264	3,150	38,434	3.9
- Containerboard Prod.(Dom. Use)	21,426	23,016	2,035	1,891	2,043	1,927	23,543	4.6
- Boxboard Prod.(Dom. Use) (2)	5,863	6,026	539	529	506	512	6,253	3.3
- All Other P'bd Prod.(D.U.) (2)	4,992	5,196	468	453	470	453	5,433	3.9
- Total Paperbd Prod. for Export	3,097	3,201	301	243	245	258	3,205	0.2
TOTAL PAPERBOARD PROD.- S.A.			3,177	3,178	3,180	3,181	38,129	3.3
TOTAL PAPER AND PAPERBOARD								
Production - Unadj. (R)	70,889	74,429	6,724	6,311	6,441	6,246	76,802	4.7
Production - S.A.			6,371	6,383	6,395	6,408	76,525	4.2

(1) Includes all exports of kraft paperboard. R - Revised P - Preliminary S.A. - Seasonally Adjusted
(2) Data for unbl. kraft folding boxboard incl. in All Other P'bd. RS - Revised Series



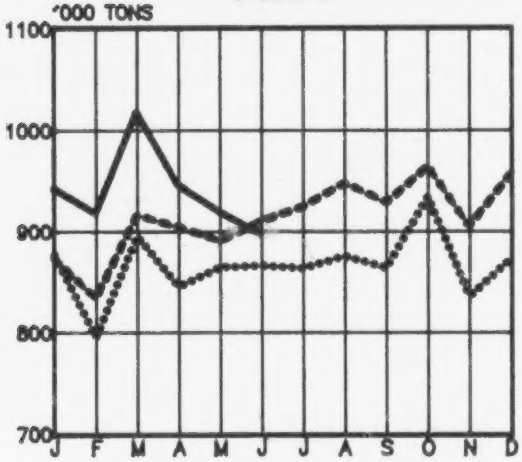
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



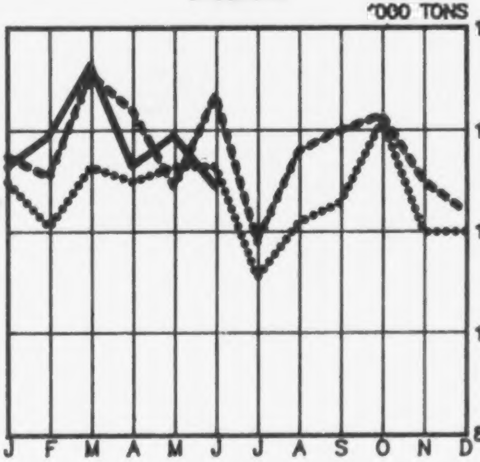
COATED PAPER

SHIPMENTS



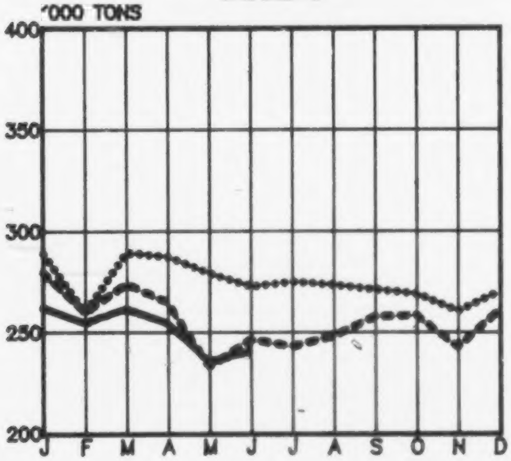
UNCOATED FREE SHEET PAPERS

SHIPMENTS



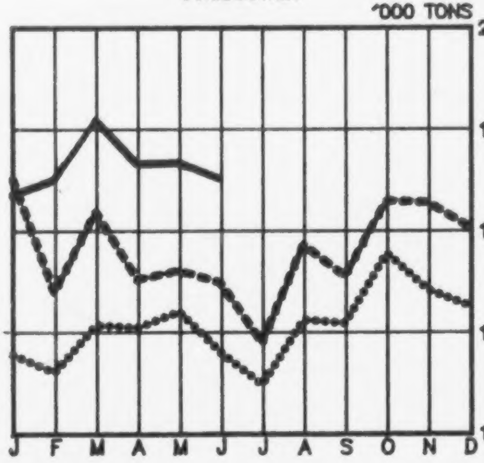
COTTON FIBER PAPER

SHIPMENTS



UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION

1986 ········ 1987 ━ ━ ━ 1988 ━━━━

WOOD PULP STATISTICS
(Thousands of Tons)

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	YEAR 1986	YEAR 1987	FEBRUARY 1988	MARCH 1988	APRIL 1988	MAY 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
TOTAL WOOD PULP					R	P		
Total Wood Pulp - Production	57,005	59,552	4,917	5,222	5,004	4,991	60,980	3.9
- Imports	4,582	4,850	429	432	428	415	5,025	2.3
- Exports	4,458	4,889	444	491	453	433	5,306	15.4
- New Supply	57,129	59,513	4,902	5,163	4,979	4,973	60,699	2.9
Dissolving Pulp - Production	1,258	1,312	116	109	105	99	1,266	0.1
- Imports	255	198	21	26	21	16	249	16.6
- Exports	711	752	41	78	81	61	789	5.3
- New Supply	801	757	95	57	44	54	726	-0.4
Paper Grades Chemical Pulp - Production	46,081	48,293	3,981	4,259	4,037	4,011	49,373	3.7
- Imports	4,220	4,456	374	378	370	360	4,407	-3.1
- Exports	3,689	4,111	401	402	365	368	4,461	16.7
- New Supply	46,612	48,637	3,954	4,235	4,042	4,003	49,319	2.0
Groundwood and Thermo-Mech. - Production	5,476	5,702	471	495	509	507	5,994	8.3
- Imports	108	197	34	28	37	39	370	150.4
- Exports	59	26	2	11	6	3	57	112.8
- New Supply	5,525	5,872	503	512	539	543	6,307	11.5
Semi-Chemical - Production	4,191	4,246	350	360	354	373	4,347	1.9
- Imports								
- Exports								
- New Supply	4,191	4,246	350	360	354	373	4,347	1.9
MARKET WOOD PULP								
Total Market Wood Pulp - Production	7,572	8,114	686	728	676	642	8,286	6.2
- Imports	3,122	3,235	289	296	298	260	3,394	9.6
- Exports	4,470	4,808	400	477	392	379	4,824	7.8
- New Supply	6,224	6,541	574	547	581	523	6,855	6.7
Dissolving Pulp - Production	1,251	1,308	116	109	104	99	1,265	0.5
- Imports	212	154	19	18	20	13	213	33.5
- Exports	718	775	45	85	62	59	740	1.3
- New Supply	745	687	90	42	62	53	738	7.2
Paper Grades Chemical Pulp - Production	6,315	6,806	570	619	571	543	7,021	7.3
- Imports	2,831	2,975	246	261	261	238	3,002	5.6
- Exports	3,752	4,045	355	391	330	320	4,085	8.8
- New Supply	5,394	5,736	460	489	502	461	5,938	5.5
Groundwood Pulp and All Other - Production	5	0	0	0	0	0	0	-100.0
- Imports	79	106	24	16	18	9	180	91.7
- Exports	0	-13	0	0	(0)	0	0	0.0
- New Supply	85	119	24	16	17	9	179	70.6

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

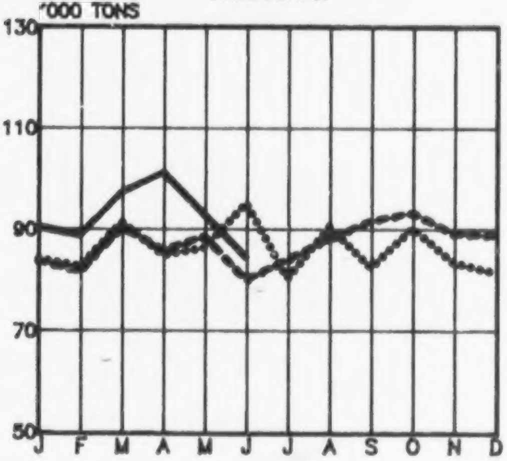
FIBROUS RAW MATERIALS
(Thousands of tons)

	YEAR 1986	YEAR 1987	FEBRUARY 1988	MARCH 1988	APRIL 1988	MAY 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
CONSUMPTION AT PAPER & PAPERBOARD MILLS					R	P		
Total	74,345	77,784	6,453	6,866	6,545	6,652	79,921	4.8
Total Wood Pulp	57,061	59,488	4,924	5,205	5,004	5,042	60,971	3.5
Waste Paper	17,285	18,296	1,529	1,660	1,541	1,611	18,951	9.3
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers' Own-Use Inventories	174	170	165	169	169	159	159	-12.5
Producers' Market Inventories	284	224	265	237	256	243	243	-15.1
Consumers' Purchased Inventories #	496	529	503	532	532	513	513	0.9
Waste Paper at Paper & Bd. Mills	838	920	871	926	937	897	897	11.2
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	16	12	13	12	13	13	13	-13.3

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API. # Includes all grades of wood pulp.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons

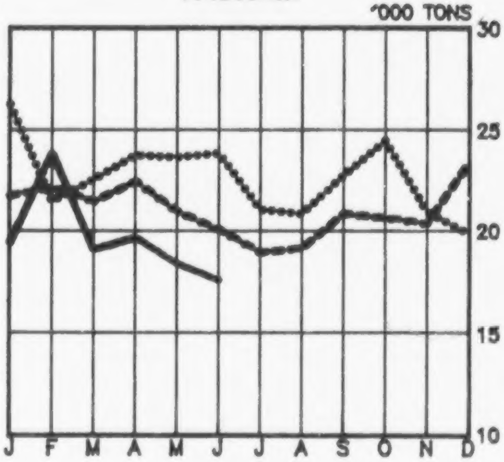
BLEACHED BRISTOLS

PRODUCTION



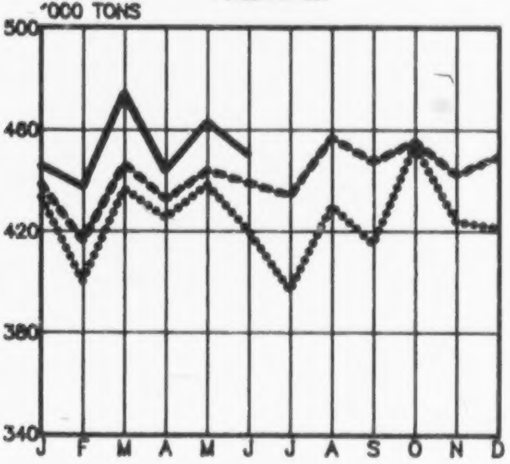
THIN PAPER

PRODUCTION



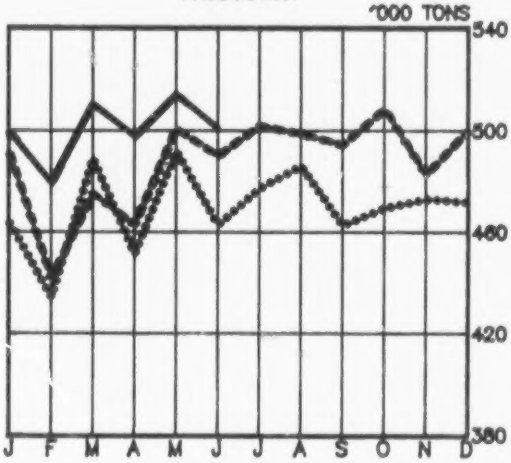
TISSUE PAPER

PRODUCTION



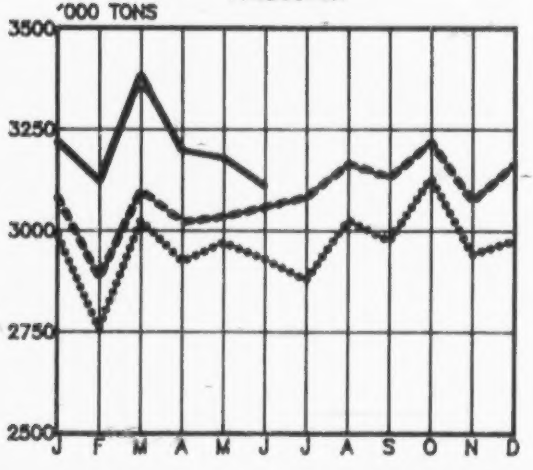
NEWSPRINT

PRODUCTION



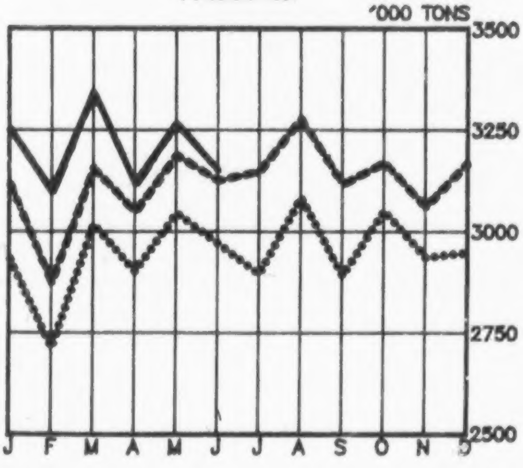
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1986 •••••••• 1987 ▬▬▬▬▬ 1988 ━━━━━

FIBROUS RAW MATERIALS

(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1986	YEAR 1987	FEBRUARY 1988	MARCH 1988	APRIL 1988	MAY 1988	Annual Rate Y-T-D 1988	% Change From Same Period Last Year
PULPWOOD									
Total U.S.	- Total Receipts	90,943	94,312	7,924	8,345	7,911	7,611	94,867	1.5
	- Total Consumpt	91,434	93,946	7,743	8,249	8,137	7,650	96,005	2.8
	- Residues *	32,755	32,899	2,756	2,924	2,925	2,753	33,463	3.2
	- Inventories	4,794	5,096	4,777	4,942	4,642	4,420	4,420	-3.0
So. Atlantic	- Total Receipts	29,513	31,147	2,561	2,807	2,663	2,412	31,193	3.0
	- Total Consumpt	29,425	30,915	2,521	2,708	2,740	2,450	31,447	3.3
	- Residues *	9,343	9,553	837	903	865	785	10,080	13.4
	- Inventories	994	1,211	1,070	1,155	1,090	1,041	1,041	8.1
Northeast	- Total Receipts	7,277	6,941	606	621	456	541	6,794	-5.0
	- Total Consumpt	7,227	7,109	582	645	660	621	7,565	2.8
	- Residues *	1,419	1,543	129	158	144	134	1,639	4.9
	- Inventories	484	594	647	657	491	402	402	0.0
South Central	- Total Receipts	31,790	33,650	2,771	3,005	2,799	2,716	33,427	0.0
	- Total Consumpt	32,113	33,059	2,742	2,981	2,754	2,699	33,586	2.9
	- Residues *	9,792	9,992	836	887	806	802	9,702	-4.7
	- Inventories	926	1,294	1,085	1,070	1,067	1,018	1,018	-4.1
North Central	- Total Receipts	6,571	6,552	666	589	482	563	7,140	13.1
	- Total Consumpt	6,730	6,764	557	595	588	606	7,195	7.1
	- Residues *	1,042	1,263	97	108	102	105	1,390	37.5
	- Inventories	892	830	989	1,000	891	818	818	1.1
West	- Total Receipts	15,792	16,022	1,320	1,323	1,511	1,379	16,313	0.2
	- Total Consumpt	15,939	16,099	1,341	1,320	1,395	1,274	16,212	0.0
	- Residues *	11,159	10,548	857	868	1,008	927	10,572	-1.3
	- Inventories	1,498	1,167	986	1,060	1,103	1,141	1,141	-13.6

* - Consumption of Residues in Cord Equivalents. SOURCE: American Pulpwood Association 25-Jul-88

UNITED STATES TRADE WITH CANADA

IMPORTS FROM CANADA

	YEAR 1987 Tons	YEAR 1987 ($000's)	APRIL 1988 Tons	APRIL 1988 ($000)	MAY 1988 Tons	MAY 1988 ($000)	Annual Rate Y-T-D 1988 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	15,382	1,736	6,111	746	1,875	524	35,882	2429.8
Pulpwood chips	487,147	15,250	59,216	2,112	64,778	3,051	835,032	99.8
Wood Pulp, Total	4,320,114	1,842,019	347,775	176,251	362,068	185,904	4,290,737	-2.9
Waste Fibrous Materials, Total	186,286	36,423	18,161	3,690	21,998	4,692	250,016	29.0
Paper, Board & Products, Total	10,588,047	5,093,903	865,925	467,317	929,283	503,556	10,829,378	1.7
Paper, Paperboard, Wet Machine Bd. & Constr. Paper & Bd.	10,441,472	4,845,663	854,257	446,127	917,577	482,849	10,681,789	1.7
Paper, Paperboard & Products	10,365,412	5,027,943	850,227	462,253	910,264	496,924	10,633,609	2.1
Paper & Paperboard, Only	10,218,838	4,779,702	838,559	441,063	898,558	476,217	10,486,020	2.2
Paper, Total	9,[illegible],198	4,698,148	818,196	433,883	875,987	468,034	10,222,278	2.1
Newsprint	8,[illegible],309	3,956,147	686,739	353,992	741,038	384,392	8,633,062	-0.6
Printing, Writing & Rel. Pap.	1,111,641	601,978	108,247	66,400	111,045	68,668	1,292,716	21.6
Pack. & Ind. Conv. Paper	215,514	102,986	19,141	10,151	18,507	10,195	240,143	5.3
Special Industrial Paper	5,478	9,844	207	406	503	990	4,616	-27.4
Tissue Paper	40,257	27,194	3,862	2,934	4,894	3,789	51,742	37.5
Paperboard, Total	257,639	81,554	20,364	7,180	22,571	8,183	263,742	6.9
Convtd Paper&Paperbd Products	146,575	248,241	11,668	21,190	11,706	20,707	147,589	-3.9
Wet Machine Board	2,890	1,977	230	166	238	172	3,179	8.2
Construction Paper & Board	219,744	63,983	15,468	4,898	18,781	6,460	192,590	-17.3

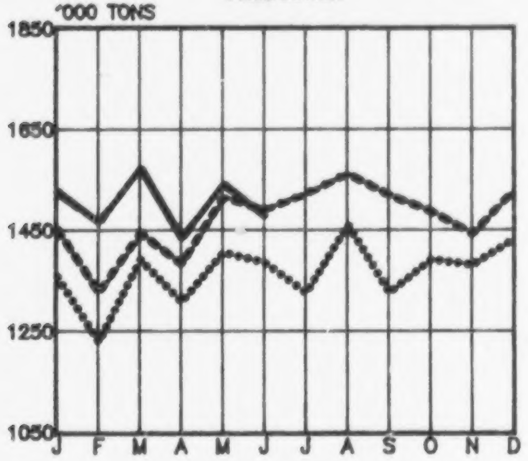
EXPORTS TO CANADA

	YEAR 1987 Tons	YEAR 1987 ($000's)	APRIL 1988 Tons	APRIL 1988 ($000)	MAY 1988 Tons	MAY 1988 ($000)	Annual Rate Y-T-D 1988 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	12,617	770	3,444	172	2,740	159	18,502	341.5
Pulpwood chips	61,575	4,014	4,519	225	7,921	438	52,466	-39.3
Wood Pulp, Total	198,921	75,956	33,737	9,112	18,881	6,927	269,736	35.4
Cotton Pulp & Other Pulp	58,288	14,775	5,741	1,683	7,784	2,285	87,367	113.3
Waste Paper	286,898	30,592	27,736	3,249	30,118	3,509	307,354	21.6
Paper, Board & Products, Total	957,434	598,429	100,852	61,103	101,072	63,054	1,368,054	57.1
Paper, Paperboard, Wet Machine Bd. & Constr. Paper & Bd.	712,494	398,256	76,684	41,147	69,251	40,251	1,081,257	62.5
Paper, Paperboard & Products	920,755	581,481	97,724	59,702	98,534	61,765	1,333,834	59.5
Paper & Paperboard, Only	675,815	381,308	73,557	39,746	66,714	38,963	1,047,037	66.0
Paper, Total	297,585	250,807	32,620	25,870	30,406	25,986	376,392	27.2
Newsprint	4,525	3,728	297	288	270	231	3,325	-32.3
Printing, Writing & Rel. Pap.	151,716	125,667	15,265	14,175	14,974	13,979	177,745	26.1
Pack. & Ind. Conv. Paper	25,826	17,841	4,399	2,982	2,893	2,211	42,462	65.8
Special Industrial Paper	110,107	97,080	12,280	7,803	11,731	9,129	147,464	21.9
Tissue Paper	5,411	6,490	379	622	538	435	5,394	51.4
Paperboard, Total	378,230	130,501	40,937	13,877	36,308	12,977	670,645	100.3
Convtd Paper&Paperbd Products	244,940	200,173	24,167	19,956	31,821	22,802	286,797	39.8
Wet Machine Board	10,212	4,828	429	165	430	165	6,502	-44.8
Construction Paper & Board	26,467	12,120	2,698	1,236	2,107	1,123	27,718	21.8

SOURCE: Bureau of Census, Department of Commerce . E - Estimate of tonnage based on square foot data 25-Jul-88

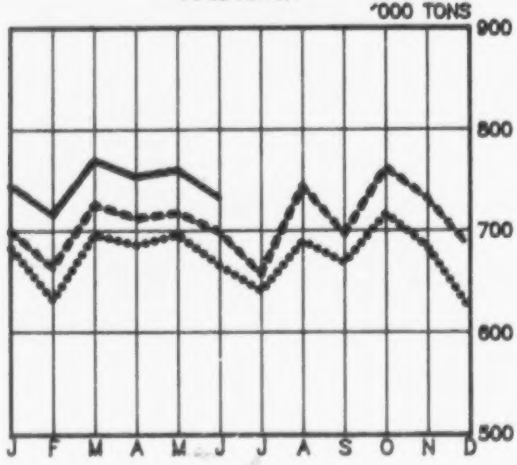
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



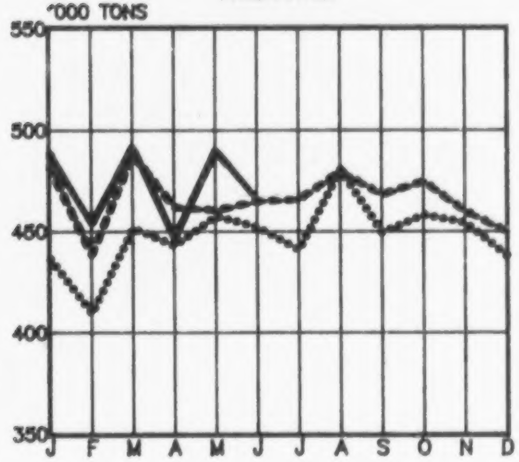
RECYCLED PAPERBOARD

PRODUCTION



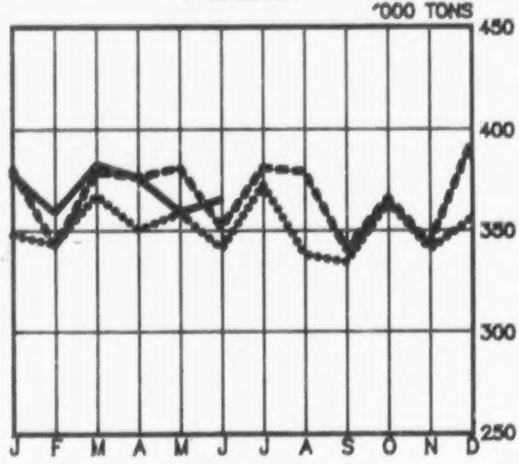
SEMICHEMICAL PAPERBOARD

PRODUCTION



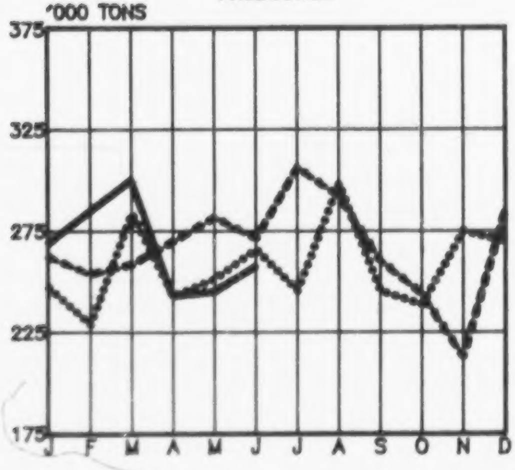
SOLID BLEACHED PAPERBOARD

PRODUCTION



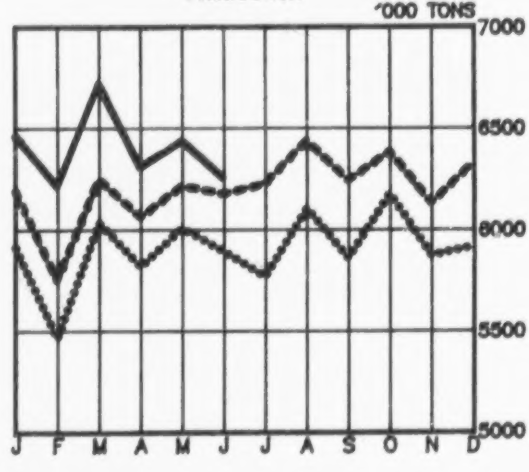
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1986 ········ 1987 ═════ 1988 ━━━━

IMPORTS

	YEAR 1987 Tons	YEAR 1987 $000	1988 APRIL Tons	1988 APRIL $000	1988 MAY Tons	1988 MAY $000	(1) Annual Rate YTD 1988 Tons	% Change from same Period Last Year
Pulpwood Roundwood (cords)	15,432	1,746	6,111	746	1,875	524	35,882	2232.4
Pulpwood Chips	525,629	15,476	61,138	2,151	65,508	3,088	846,048	69.6
Total All Imports	17,891,172	9,043,600	1,536,161	882,890	1,561,719	903,183	18,490,430	3.7
Wood Pulp Total	4,850,238	2,069,389	427,754	217,783	414,958	215,093	5,024,561	2.3
Waste Paper	127,398	19,231	13,186	2,023	14,371	2,247	176,995	50.5
Other Fibrous Materials	76,491	27,287	7,084	2,570	9,400	3,291	94,030	-1.2
Paper Board & Products Total	12,837,046	6,927,693	1,088,136	660,515	1,122,990	682,553	13,194,844	3.8
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	12,435,486	5,995,122	1,056,035	575,867	1,089,811	598,527	12,796,819	4.2
Paper Ppbd & Prds ex Cnst&WMB	12,527,598	6,828,736	1,063,099	651,818	1,095,059	672,676	12,905,013	4.1
Paper & Paperboard Only	12,126,039	5,896,165	1,030,998	567,169	1,061,880	588,650	12,506,988	4.5
Paper Total	11,765,208	5,768,703	1,004,125	557,157	1,028,845	575,692	12,162,061	5.1
Newsprint	8,986,548	4,121,327	725,304	371,487	766,207	396,627	8,943,552	-0.6
Printing & Writing	2,410,216	1,412,458	247,098	163,437	232,052	156,118	2,822,591	27.7
Uncoated Groundwood	1,269,774	654,767	131,388	77,620	115,796	68,773	1,457,571	22.7
Coated Print.& Impreg. Pap.	674,531	467,865	68,037	52,906	63,204	50,184	745,981	32.7
Uncoated Free Sheet	417,395	249,943	43,263	29,181	45,419	30,894	555,501	37.6
Uncoated Book	210,624	119,775	16,085	10,442	19,983	12,808	229,571	8.7
Writing and Similar Paper	206,771	130,168	27,178	18,739	25,436	18,087	325,930	69.3
Thin (except Cigarette)	47,567	38,831	4,367	3,678	7,569	6,182	62,669	14.6
Bristols	950	1,052	43	52	65	85	868	-6.6
Total Pkg & Other Paper	310,324	191,620	25,640	17,376	25,625	19,036	325,995	3.4
Unbleached Kraft Paper	168,420	69,828	14,133	6,431	12,354	5,961	169,429	0.1
Other Pkg. & Indust. Paper	141,904	121,792	11,507	10,945	13,271	13,075	156,565	7.3
Tissue	58,121	43,299	6,083	4,857	4,961	3,910	69,924	23.8
Paperboard, Total	360,831	127,461	26,873	10,013	33,036	12,958	344,927	-11.4
Test or Containerboard	80,981	29,352	5,362	2,338	5,996	2,726	72,190	-15.5
Semi-Chemical Corrugating	128,636	33,898	11,924	3,596	14,789	4,669	152,901	28.0
Other Paperboard	151,214	64,211	9,588	4,078	12,251	5,563	119,836	-35.0
Convtd Paper&Paperbd Products	401,559	932,571	32,102	84,648	33,179	84,025	398,025	-7.1
Paper Products, Total	368,179	866,121	28,973	78,841	29,770	78,478	361,513	-7.9
Paperboard Products, Total	33,380	66,450	3,129	5,807	3,410	5,548	36,511	1.3
Wet machine Board	3,463	2,638	311	386	347	296	4,414	29.0
Construction Paper & Board	305,985	96,320	24,726	8,312	27,583	9,581	285,417	-9.9
Notes								
Other: No Weight Avail. ($000)		201,453		13,324		13,657	173,330	-18.9
Total Imports Incl. Other($000)		9,245,053		896,214		916,841	10,624,604	18.5

EXPORTS

							(1)	
Pulpwood, Roundwood (cords)	16,178	913	3,444	172	2,740	159	20,522	193.0
Pulpwood Chips	2,546,467	188,459	221,251	17,706	386,816	30,028	3,061,857	41.0
Total All Exports	14,797,437	6,007,818	1,397,422	612,621	1,386,675	600,723	16,792,989	19.8
Wood Pulp,Total	4,889,331	2,259,377	452,955	232,036	432,655	224,839	5,306,779	15.4
Cotton Pulp and Other Pulp	182,001	91,365	15,112	8,704	16,949	9,859	220,510	43.1
Waste and Old Paper	4,422,139	553,348	423,799	54,060	472,871	58,490	5,302,210	27.2
Paper, Board & Products,Total	5,303,966	3,103,728	505,556	317,821	464,200	307,535	5,963,490	[illegible]
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	4,578,770	2,280,329	439,491	233,493	385,878	213,840	5,149,059	15.9
Paper, Ppbd & Prod ex Cnst&WMB	5,196,613	3,044,506	495,352	312,572	451,566	301,330	5,834,649	16.8
Paper & Paperboard, Only	4,471,418	2,221,107	429,287	228,245	373,245	207,635	5,020,218	15.7
Paper, Total	921,397	776,181	94,098	81,653	93,466	80,356	1,073,918	19.6
Newsprint	339,773	210,093	31,481	22,223	25,073	18,805	330,456	-8.0
Printing & Writing	249,092	242,639	24,924	26,380	26,059	27,765	293,393	35.2
Uncoated Groundwood	55,841	39,750	5,606	4,532	5,917	4,980	68,058	64.5
Clay Coated Paper	100,839	72,145	9,345	7,567	7,949	6,350	108,553	16.2
Uncoated Free Sheet	67,858	99,330	7,485	11,134	7,577	11,467	81,608	43.4
Other Printing & Writing	24,554	31,414	2,488	3,147	4,617	4,967	35,173	30.6
Total Pkg. & Other Paper	294,201	292,659	31,980	29,466	29,509	30,707	376,200	28.6
Unbleached Kraft	89,194	40,758	8,622	4,134	8,334	4,414	101,818	20.0
Other Pkg. & Indust. Paper	205,007	251,901	23,358	25,332	21,176	26,293	274,381	32.0
Tissue	38,332	30,790	5,713	3,584	12,824	3,080	73,869	150.0
Paperboard, Total	3,550,021	1,444,926	335,190	146,592	279,779	127,279	3,946,299	14.7
Solid Wood Pulp	3,218,952	1,321,618	310,199	135,449	255,175	115,559	3,645,587	14.1
Total Linerboard	2,296,633	812,161	215,868	82,847	165,605	65,191	2,325,853	4.3
Bleached Kraft Linerboard	102,266	46,429	11,261	6,716	5,296	4,150	154,674	178.7
Unbleached Kraft Linerbd	2,194,367	765,731	204,607	76,131	160,310	61,041	2,171,179	-0.1
Other Unbleached Kraft	210,566	78,596	28,346	8,758	26,952	8,297	561,816	157.9
Other Bleached Kraft	647,803	407,923	61,922	42,377	59,258	40,765	702,129	5.6
Semi-Chemical Corrugating	63,951	22,938	4,062	1,468	3,360	1,306	55,789	-33.1
Recycled Paperboard	331,069	123,308	24,991	11,143	24,604	11,720	300,712	23.0
Convtd Paper&Paperbd Products	725,196	823,399	66,065	84,328	78,322	93,695	814,431	23.5
Paper Products, Total	301,202	540,681	31,345	55,938	36,195	61,011	358,863	25.1
Paperboard Products, Total	423,994	282,718	34,721	28,389	42,127	32,684	455,569	22.4
Wet Machine Board	17,328	7,816	811	351	1,106	472	12,632	-42.0
Construction Paper & Board E	90,024	51,405	9,392	4,897	11,527	5,733	116,209	38.4
Notes								
Other: No Weight Avail. ($000)		8,037		590		544	8,330	3.8
Total Exports Incl. Other($000)		6,015,855		613,212		601,267	7,217,275	27.9

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description.

PRODUCER PRICE INDEXES

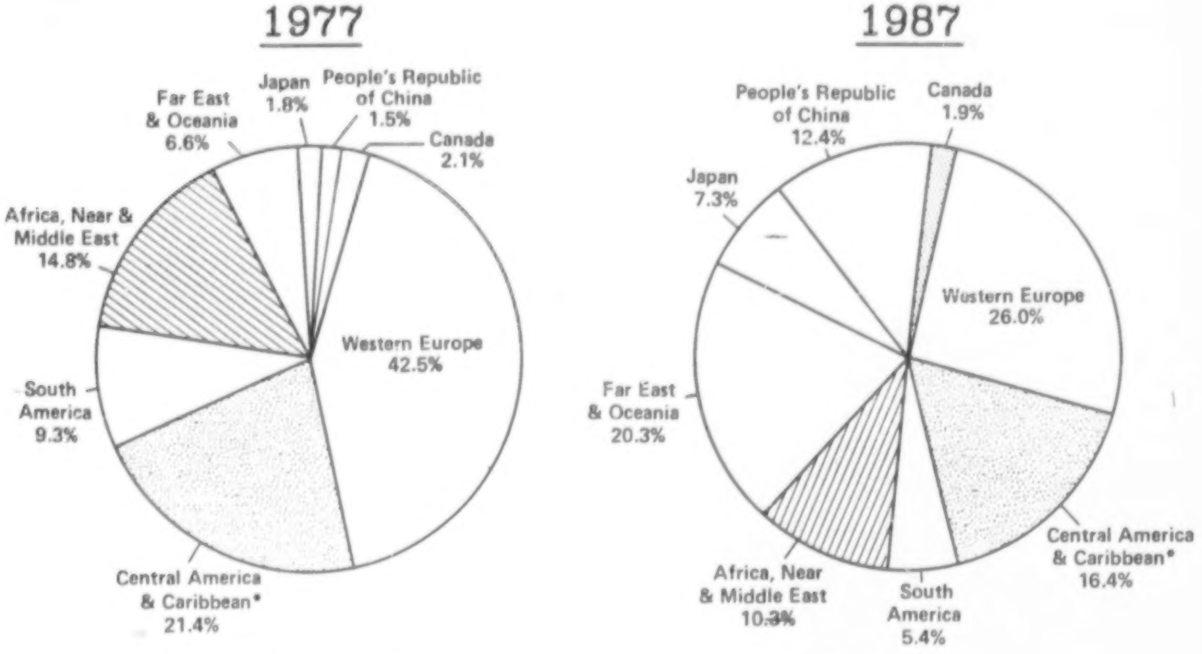
1982 = 100

	1986	1987	MARCH 1988	APRIL 1988	MAY 1988	JUNE 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	107.5	114.3	120.7	122.6	124.1	124.8	121.9	8.2
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	106.9	113.2	119.5	121.5	123.1	123.8	120.8	8.2
Total Wood Pulp	94.7	111.5	126.9	135.0	137.2	140.1	131.5	21.2
Total Paper	107.0	111.5	119.7	121.0	122.0	122.3	120.3	9.3
Total Paper, exc. Newsprint	107.9	101.1	119.0	120.7	121.8	121.9	119.9	9.8
Newsprint	103.3	112.3	127.0	127.2	127.5	127.5	127.4	17.4
Total Paperboard	106.5	118.1	127.1	132.6	133.1	134.0	130.1	12.7
Total Paper and Paperboard *	106.8	113.6	122.0	124.6	125.5	126.0	123.4	10.4
Converted Products	109.4	114.7	118.9	119.8	122.0	122.7	120.1	5.9
Waste Paper	142.6	181.4	190.5	187.9	184.5	183.9	188.9	8.1
All Commodities	100.2	102.8	104.9	105.8	106.5	107.4	105.8	3.9
Industrial Commodities	100.0	102.6	104.7	105.6	106.1	106.5	105.5	3.9

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

KRAFT LINERBOARD EXPORTS

Percent Distribution of U.S. Exports by Major Area of Destination



1, 428, 038 Tons

2, 294, 978 Tons

*Includes Mexico

Percentages may not add due to rounding.

Source: International Department, API

FIBROUS MATERIALS

U.S. shipments of chemical grade market pulp exceeded their year-ago volume by 6.1% during the first half of 1988. Both domestic and foreign demand remained strong. Exports of chemical grade market pulp exceeded their year-ago volume by 7.2% during the first half of 1988. The major export gains were to Asia/Africa (up 23%) and Japan (up 22%). On the other hand, U.S. shipments to Latin America were off 7.9% relative to the first half of 1987. Shipments to Western Europe were virtually unchanged. U.S. shipments to the domestic market were ahead 4.6% during the first six months of 1988, reflecting strong growth in paper production.

Capacity utilization rates for chemical grade market pulp averaged 100% during the first half of 1988, versus 98% last year, and inventories have remained lean. In fact, with shipments for the month of June exceeding production by nearly 50,000 short tons, producers' inventories of chemical grade market pulp declined from 13 days of supply at the end of May to just 10 days at the end of June, which was the lowest level since March 31, 1980. Consumers' inventories of purchased paper grade pulp held stable at 32 days of supply at the end of May -- the same level reported for the end of April, but well below the 46-day mark reached on April 30th, 1984.

LINERBOARD EXPORT TRENDS

The past two years were marked by significant increases in U.S. kraft linerboard exports. According to the U.S. Bureau of the Census Bureau, tonnage exports of kraft linerboard soared 21.5% in 1986 and then climbed an additional 5.4% in 1987, to 2,294,978 tons. During the initial four months of 1988, they exceeded their year-ago volume by 6.5%.

Much of last year's strength in kraft linerboard exports derived from U.S shipments to the People's Republic of China, which increased by 59.9%, to 284,383 tons. As a result of that massive gain, China displaced the United Kingdom as the largest importer of U.S. kraft linerboard. (See table below.) The U.S. also shipped significantly more kraft linerboard to other countries in the Far East/Oceania in 1987: Australia, Taiwan, the Philippines, Singapore, and South Korea. U.S. exports of linerboard to Japan advanced just 0.5% in 1987 as large increases in Japan's own output of containerboard served to satisfy rapid gains in its domestic demand.

As the pie charts on page 10 show, the Far East and Oceania have become increasingly important markets for U.S. kraft linerboard during the last ten years. Specifically, Japan's share of total U.S. kraft linerboard exports rose from 1.8% in 1977 to 7.3% last year. Over the same ten years, China's share expanded from 1.5% to 12.4%; the other nations of the Far East and Oceania increased their share from 6.6% to 20.3%.

U.S. kraft linerboard exports to Western Europe declined 6.2% last year, to 596,652 tons. The decline reflected reduced exports to all major Western European nations, except Italy. Although Western Europe remains an important market for U.S. kraft linerboard exports, its share of the total has declined from 42.5% in 1977 to 26% last year. Whereas 26% of total U.S. kraft linerboard exports (596,652 tons) went to Western Europe last year, the Nordic countries shipped 92% (1.413 million tons) of their kraft linerboard exports to this region in 1987.

U.S. KRAFT LINERBOARD EXPORTS BY MAJOR COUNTRY OF DESTINATION

(short tons)

	1986		1987	
	Tons	Rank	Tons	Rank
People's Republic of China	182,364	2	284,383	1
United Kingdom	228,602	1	211,562	2
Japan	166,110	3	166,898	3
Hong Kong	163,905	4	141,246	4
Italy	114,170	5	123,262	5
West Germany	114,051	6	112,620	6

Source: API International Department

Technical Note: API compiles and publishes data on production of unbleached kraft linerboard for export. The API data differ from the Census Bureau data with respect both to timing -- production for export obviously precedes exports -- and coverage. It should also be pointed out that the Census Bureau export data reviewed in the preceding paragraphs include a small volume -- 102,000 tons in 1987-- designated as bleached kraft linerboard. API believes this to be mottled white or related grades of unbleached kraft linerboard that have been misclassified as bleached linerboard.

For a more detailed discussion of kraft linerboard exports, see Exports of Kraft Linerboard and Corrugating Material from Major Supplying Countries to World Markets. This publication, prepared by API's International Department, covers exports from the U.S. as well as eight other major exporting countries. The report was recently sent to member companies. The cost to non-members is $100.00 (domestic); ($105 international).

P2500-2

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

July 29, 1988

PRODUCTION (000 TONS)

	JUNE	MAY	JUNE	FIRST SIX MONTHS		% CHANGE YR TO DATE
	1988	1988	1987	1988	1987	1988/1987
PAPER GRADES						
Newsprint	490	514	490	2,989	2,859	4.5
Printing & Writing	1,735	1,780	1,721	10,874	10,135	7.3
Uncoated Groundwood (s)	123	135	119	780	755	3.4
Coated Paper (s)	599	600	575	3,691	3,320	11.2
Uncoated Free Sheet Paper (s)	899	921	912	5,649	5,339	5.8
Thin Paper (s)	18	18	20	118	129	-8.5
Cotton Fiber Paper (s)	13	14	15	83	84	-1.3
Bleached Bristols (s)	84	93	80	554	510	8.7
Tissue Paper	450	463	439	2,713	2,616	3.7
Total Pkg & Other Paper	421	419	407	2,608	2,554	2.1
Unbl. Kraft Paper (s)	241	236	247	1,512	1,560	-3.1
Other Paper	180	183	160	1,096	994	10.2
TOTAL PAPER	3,096	3,176	3,056	19,184	18,164	5.6
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,583	1,653	1,607	9,673	9,262	4.4
Unbleached Kraft Linerboard	1,477	1,543	1,492	9,022	8,616	4.7
Other Unbl. Kraft Paperboard	106	110	115	651	646	0.8
Semichemical Paperboard	466	491	465	2,839	2,799	1.4
Bleached Paperboard	366	360	352	2,223	2,214	0.4
Recycled Paperboard	734	761	700	4,482	4,224	6.1
TOTAL PAPERBOARD	3,150	3,264	3,124	19,217	18,500	3.9
TOTAL PAPER AND PAPERBOARD	6,246	6,441	6,181	38,401	36,664	4.7

WOOD PULP (ALL GRADES)	MAY	APRIL	MAY	FIRST FIVE MONTHS		% CHANGE YR TO DATE
	1988	1988	1987	1988	1987	1988/1987
Dissolving & Special Alpha	99	105	99	528	527	0.1
Bleached Sulfite)	109	120	113	617	591	4.4
Unbleached Sulfite)						
Bleached & Semi-Bl. Sulfate	2066	2164	2093	10870	10463	3.9
Unbleached Sulfate	1820	1748	1785	9065	8791	3.1
Semichemical	373	354	352	1811	1777	1.9
Groundwood & Thermomechanical	507	509	470	2506	2312	8.4
TOTAL PULP DIVISION DATA	4974	4999	4912	25396	24461	3.8

(s) - Shipments
P - Preliminary

JULY 28, 1988

	Full Year		INDUSTRY DATA 1987 - 1988			Ann. Rate Year - To - Date	% From Same Pd. Last Year
				R	P		
PAPER AND PAPERBOARD -- Tons (000)	1986	1987	April	May	June	1988	
Total Production (API).......: excluding :...	70,889	74,429	6,311	6,441	6,246	76,802	4.7
Total Seasonally Adjusted....:construction:...			6,383	6,395	6,407	76,520	4.2
Imports (including Products).: and wet :..E	11,597	12,528	1,063	1,095	1,085	12,924	4.1
Exports (including Products).: machine :..E	4,593	5,197	495	452	450	5,762	12.3
Apparent Consumption.........: grades :...	77,893 a	81,760 b	6,950	7,038	7,042	83,682 c	3.6
Paper Production % Tonnage Capacity...........	93.2 g	94.0	96.8	93.4	93.5	96.6	-
Paperboard Production % Tonnage Capacity......	94.3 g	96.3	96.5	98.4	97.4	98.4	-
			March	April	May		
IMPORTS.....:Including Construction and :...	11,936	12,837	1,199	1,088	1,123	13,195	3.8
EXPORTS.....: WMB Grades (excl. HPB) :...	4,687	5,304	548	506	464	5,963	16.9
			March	April	May		
MARKET WOOD PULP PRODUCTION - Tons (000)........	7,572	8,114	728	676	642	8,286	6.2
TOTAL WOOD PULP PRODUCTION - Tons (000)..........	57,005	59,552	5,222	5,004	4,991	60,980	3.9
WOOD PULP IMPORTS - TONS (000)..................	4,582	4,850	432	428	415	5,025	2.3
WOOD PULP EXPORTS - TONS (000)..................	4,458	4,889	491	453	433	5,307	15.4
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			March	April	May		
Wood Pulp.............:consumption for:.....	57,061	59,488	5,205	5,004	5,042	60,974	3.5
Waste Paper...........:construction & :.....	17,285	18,296	1,661	1,541	1,611	18,952	9.3
TOTAL..........: WMB grades :.....	74,345	77,784	6,866	6,545	6,653	79,926	4.8
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	91,434	93,946	3,249	3,137	2,650	36,005	[illegible]
EMPLOYMENT (000)			April	May	June		
Paper and Allied Products..........Total......	673.7	679.0	684.0	686.7	695.3	685.7	1.6
Pulp, Paper and Board Mills........Total.....E	248.1	244.9	244.2	244.7	246.5	244.6	-0.3
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)			April	May	June		
Paper and Allied Products.....................	11.18	11.42	11.60	11.63	11.60	11.57	2.0
Pulp, Paper Mills..........................E	13.63	14.00	14.15	14.30	14.25	14.15	2.2
Paperboard Mills...........................E	13.98	14.30	14.53	14.59	14.57	14.44	1.9
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1987 Q3	1987 Q4	1988 Q1		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	8.77	8.92	8.84	10.02	9.58	11.37 Y	27.5
INDEX OF OUTPUT PER MAN-HOUR (1977=100)..........			April	May	June		
:IN PULP, PAPER :...Production Workers..........	131.5	140.4	145.1	142.5	11504.3	2037.9	1364.7
:AND BOARD MILLS:...All Employees...............	128.9	137.1	141.7	139.6	136.6	140.5	3.6
PAPER AND ALLIED PRODUCTS (Million $)			March	April	May		
Industry Shipments (Dept. of Commerce)*........	103,916	118,855	10,674	10,990	11,043	129,866	14.7
Pulp, Paper and Paperboard*.................	44,033	51,518	4,723	5,039	4,920	58,769	20.9
Inventories (End of Period) - Total Industry*..	10,429	11,284	11,450	11,534	11,544	11,544	5.8
Pulp, Paper and Paperboard*..................	4,115	4,266	4,300	4,355	4,348	4,348	3.5
			1987 Q3	1987 Q4	1988 Q1		
Sales (Corporations Only)......................	74,844	95,576 RS	24,710	25,088	25,504	102,016	16.0
Earnings (Corporations Only)...................	3,280	5,520 RS	1,586	1,495	1,744	6,976	56.0
Depreciation (Corporations Only)...............	3,389	4,279 RS	1,108	1,051	1,169	4,676	10.2
Net Worth (Corporations Only)..................	31,221	39,217 RS	38,040	39,217	40,213	40,213	11.9
PRICE INDEXES (Bureau of Labor Stats)1982=100			April	May	June		
Pulp, Paper & Products, ex. Building Grades....	107.5	114.3	122.6	124.1	124.8	121.9	8.2
Wood Pulp......................................	94.7	111.6	135.0	137.2	140.1	131.5	21.2
Waste Paper....................................	142.6	181.4	187.9	184.5	183.9	188.9	8.1
Paper..	107.0	111.5	121.0	122.0	122.3	120.3	9.3
Paperboard.....................................	106.5	118.1	132.6	133.1	134.0	130.1	12.7
PAPER DEMAND (INDEXED: 1977=100)			April	May	June		
Total Paper Production *.......................	128.0	133.8	138.8	139.3	139.7	138.6	5.0
Paper New Supply *.............................	133.7	140.6	144.6	147.4	113.4	139.9	0.8
Demand Indicators - (Weighted Average) *.....	146.7	154.4	161.1	161.0	159.4	160.2	5.4
Production of Nondurable Goods *...(21.2%).	130.1	136.8	142.1	142.1	142.2	141.8	5.5
Disposable Income ....*.(23.9%)	128.9	129.6	131.2	132.0	124.0	130.8	1.6
Total Printing and Publishing *...(54.9%).	160.9	172.0	181.5	180.9	181.5	180.1	6.7
Trend Factor	----------	----------	----------	Not Available	----------	----------	----------
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *.................	121.9	129.1	131.7	131.8	131.8	131.7	3.3
Production for Domestic Use	118.7	126.5	129.8	129.8	140.7	130.7	4.7
Demand Indicators - (Weighted Average) *.....	121.9	125.9	130.6	131.4	131.8	130.5	5.2
Production of Consumer Goods *...(62.06%)	124.1	127.7	131.8	132.5	132.7	131.8	4.2
Production of Equipment *...(5.75%)	* 143.7	148.8	156.6	157.7	158.5	156.4	7.1
Production of Materials *...(32.19%)	113.8	118.3	123.6	124.5	125.2	123.5	6.7
Trend Factor	----------	----------	----------	Not Available	----------	----------	----------
NEWSPRINT MARKETS			March	April	May		
Consumption by Publishers - Tons (000).........	13,158	13,583	1,167	1,122	1,163	13,370	2.0
Newspaper Pub. and Printing Empl. Total(000)...	461	471	475	475	476	476	2.0
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (PIB, Inc.)...........	154,317	159,362	14,407	15,102	15,065	163,788	4.1
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	38,245	44,741	4,600	4,029	4,114	49,766	22.0
Inventories (End of Period).	3,577	3,850	4,120	4,107	4,114	4,114	15.8
FIBRE BOX DATA (Fibre Box Association)			April	May	June		
Fibre Box Shipments (Million square feet).......	283,921	297,827	26,044	24,997	25,830	307,372	4.4
Container'bd Inventory at Mill & Plant(000Tons).	2,238	2,486	2,550	2,595	2,633	2,633	5.4
RETAIL TRADE (Billion $)			April	May	June		
Total Retail Sales *..........................	1,437	1,509	132	132	133	1,575	6.4
Nondurable Goods Stores Sales *...............	899	951	81	82	82	975	3.7
GENERAL ECONOMIC DATA			April	May	June		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	125.1	129.8	135.4	136.1	136.6	135.3	6.0
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1982=100).	100.2	102.8	105.8	106.5	107.4	105.6	3.9
CONSUMER PRICES (ALL ITEMS) (INDEX 1982 = 100)...	109.6	113.6	117.1	117.5	118.0	116.8	3.9
			March	April	May		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	586	621	621.6	627.1	631.8	631.8	8.3
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..			1987 Q4	1988 Q1	1988 Q2		
G.N.P. or Expenditure - Current $..............	8,475	4,527	4,663	4,725	4,807	4,766	7.4
G.N.P. or Expenditure - 1982 $.................	7,435	3,847	3,923	3,956	3,986	3,971	4.5

lb/capita			
Pap&Papbd	Othr	Totl	Popul(mil)
.a - 645	+ 18	= 663	241.6
.b - 670	+ 17	= 687	243.8
.c - 682	+ 17	= 699	244.7

.e - estimated by API

f - Wood Pulp Production excludes def., explo. & scrngs.
g - Adjusted for holiday shutdowns

Q - Quarter

R - Revised
Y - Full year estim. by U.S. Dept. of Com.

* - Seasonally Adjusted.

A2500-2
9/12/88

Paper
Paperboard
& Wood Pulp

MONTHLY STATISTICAL SUMMARY - Vol. 66 No. 8 AUGUST 1988

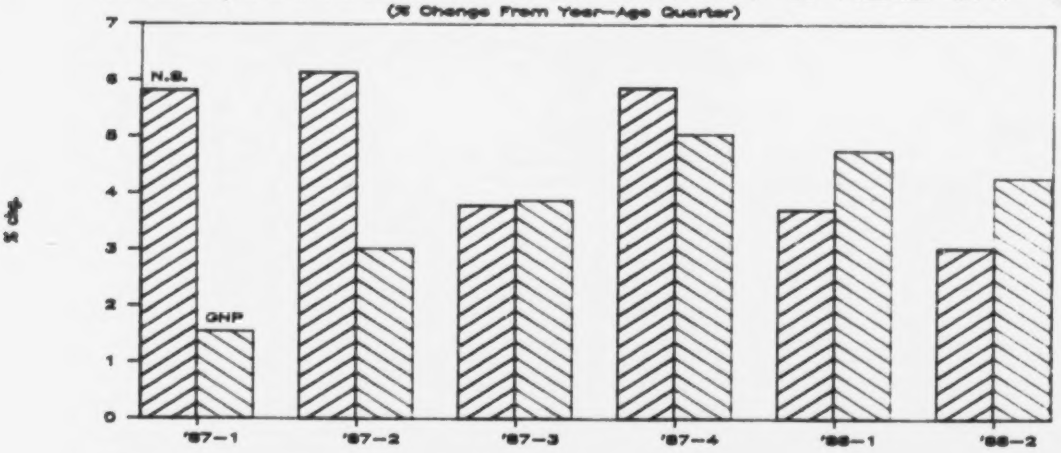
PAPER AND PAPERBOARD DEMAND HOLDS STEADY

Monthly production of paper and paperboard advanced sharply from early 1986 through the end of 1987, but has fluctuated about an essentially flat trend averaging 6,370 tons a month (seasonally adjusted) during 1988. Nevertheless, because production was at record-high levels when the trend stabilized, output of paper and paperboard exceeded its year-ago volume by 3.8% during the first seven months of 1988. The year-to-date gain for paper production was stronger than for paperboard: 4.7% versus 3%.

The principal impetus for 1988's strength in paper production came from the printing-writing grades, particularly coated papers, uncoated free sheet, and bleached bristols. (See table on page 3.) The two main contributors to paperboard growth have been linerboard and recycled paperboard.

New supply of paper and paperboard (i.e., domestic production plus imports minus exports) has also held fairly steady since last year's fourth quarter. New supply grew faster than deflated GNP during 1987 (particularly in the fourth quarter), but has trailed slightly behind GNP this year. As a result, the ratio of new paper and paperboard new supply to real GNP rose from 20,800 tons per billion dollars of GNP in 1986 to 21,200 tons per billion dollars of GNP in 1988, which was the highest ratio since 1984. Paper and paperboard were both above their long-term relationship to real GNP in 1987.

PAPER/PAPERBOARD NEW SUPPLY & REAL GNP



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Last year's relatively high ratio of new supply to real GNP may have reflected market-channel inventory building beyond the converting level; there is no evidence of excess inventory building at paper and paperboard converters during 1987.

The ratio of new supply to real GNP edged downward during the first half of 1988 to a second quarter level of 21,000 tons per billion dollars of real GNP. The abatement may have reflected slower inventory building in market distribution channels.

The chart on page 1 compares quarterly year-to-year changes in new supply of paper and paperboard with those for real GNP in 1987 and the first two quarters of 1988.

Technical Note: The seasonal adjustment factors used here for paperboard have been revised with this report. The revised pattern should still be considered preliminary and subject to further change as additional production data become available.

PAPER INDUSTRY ENERGY CONSUMPTION PATTERNS

The U.S. paper industry consumed more natural gas, but less residual fuel oil in 1987 than it did in 1986, according to data compiled by API's Energy and Materials Department. In particular, natural gas consumption by the paper industry increased 20.6% from 1986 to 1987 as mills with dual fuel capability took advantage of attractive pricing for natural gas. As a result of the gain in consumption, gas's share of total paper industry energy requirements rose to 14.4% in 1987 from 12.5% in 1986. (See table below.)

The use of residual fuel oil by the paper industry declined 18.5% last year, reducing its share of the industry's energy needs from 8.2% in 1986 to 6.7% in 1987, and thus reducing the use of imported oil as well. The paper industry reduced its use of residual fuel oil by 64% between 1972 and 1987, which is all the more dramatic considering that the paper industry's output rose 45% during that same period.

The paper industry also reduced its consumption of coal by 3.2% last year, and coal's share of the industry's energy needs declined from 14.9% in 1986 to 13.9% in 1987. Coal accounted for 10.7% of the paper industry's 1972 energy requirements.

Total purchased fossil fuel and electricity accounted for 43.3% of the industry's energy requirements in 1987, the same share as in 1986, but down sharply from 59.7% in 1972. Self-generated and residue fuels, which are mainly comprised of spent pulping liquor solids, wood residues, and bark, accounted for 56.7% of the industry's energy requirements in 1987, the same share as in 1986, but up dramatically from 40.3% in 1972.

In a related development, API's Energy and Materials Department reported that paper industry expenditures for purchased

Continued on page 11

PAPER AND PAPERBOARD STATISTICS

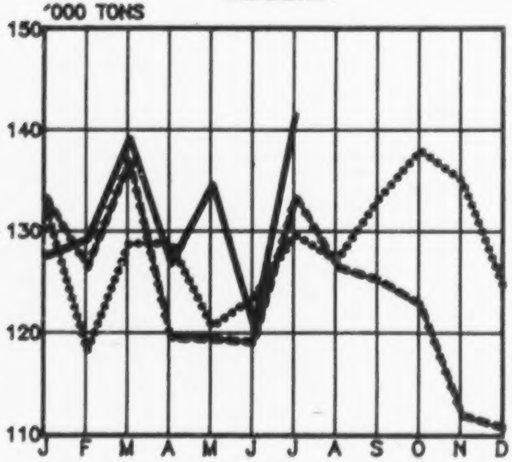
PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

	YEAR 1986	YEAR 1987	APRIL 1988	MAY 1988	JUNE 1988 (P)	JULY 1988 (P)	Annual Rate Y-T-D 1988	% Change From same Period Last Year
PAPER								
Newsprint - Production	5,630	5,842	497	514	490	481	5,947	3.2
- Shipments	5,638	5,854	492	510	495	475	5,893	2.1
Printing & Writing Sum	19,668	20,780	1,816	1,782	1,796	1,783	21,805	7.0
Groundwood Paper - Shipments	1,540	1,485	127	135	120	142	1,576	3.5
- New Orders	1,553	1,529	121	152	122	134	1,575	1.4
-Unfilled Orders	124	164	167	179	188	177	177	37.0
Coated Papers - Shipments	6,263	6,860	609	601	617	592	7,374	10.3
- New Orders	6,334	7,066	631	620	612	662	7,492	7.2
- Unfilled Orders	469	708	678	678	689	764	764	16.1
Unctd Free Sheet - Shipments	10,410	10,977	947	921	935	928	11,338	5.6
- New Orders	10,485	11,184	990	921	964	932	11,485	6.3
- Unfilled Orders	587	773	808	779	828	836	836	42.7
Thin Papers - Shipments	271	251	20	20	16	16	230	-9.2
Cotton Fiber Paper - Shipments	152	163	13	14	13	11	162	-1.2
Bleached Bristols - Production RS	1,033	1,044	101	93	94	94	1,126	10.6
Tissue Paper - Production	5,095	5,301	445	460	451	444	5,410	3.5
Total Packaging & Other Paper	5,117	5,068	438	419	421	404	5,161	2.2
Unbl. Kraft Paper - Shipments	3,303	3,075	255	236	241	236	2,996	-3.1
Other Paper - Production	1,914	1,993	183	183	180	160	2,165	10.6
TOTAL PAPER-Production-Unadj.	35,510	36,990	3,197	3,175	3,158	3,110	38,323	5.2
-Production-S.A.			3,196	3,204	3,212	3,221	38,354	4.7
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	27,336	28,944	2,362	2,503	2,416	2,488	29,524	2.7
Total Unbl. Kraft Paperboard	17,689	18,913	1,538	1,653	1,583	1,619	19,358	3.6
Unbl. Kraft Linerboard (1)	16,402	17,682	1,434	1,543	1,477	1,509	18,052	3.9
Production for Export	2,246	2,318	175	183	195	189	2,383	1.2
Other Unbl. Kraft Paperboard	1,287	1,232	104	110	106	111	1,306	-0.3
Semichemical Paperboard	5,376	5,600	447	491	466	480	5,688	1.6
Production for Export	213	189	10	10	9	10	128	-40.4
Solid Bleached Paperboard RS	4,222	4,420	377	360	366	389	4,478	0.6
Production for Export	569	619	52	45	53	46	598	-5.4
Recycled Paperboard	8,092	8,506	754	761	737	691	8,872	6.0
Production for Export	70	75	6	7	6	6	75	13.2
TOTAL PAPERBOARD-Prod.-Unadj.	35,379	37,439	3,116	3,264	3,152	3,178	38,397	3.5
- Containerboard Prod.(Dom. Use)	21,426	23,016	1,891	2,043	1,923	1,985	23,575	4.2
- Boxboard Prod.(Dom. Use) (2)	5,863	6,026	529	506	512	518	6,247	4.1
- All Other P'bd Prod.(D.U.) (2)	4,992	5,196	453	470	456	424	5,389	3.4
- Total Paperbd Prod. for Export	3,097	3,201	243	245	262	251	3,185	-2.5
TOTAL PAPERBOARD PROD.- S.A.			3,176	3,173	3,169	3,166	38,096	3.0
TOTAL PAPER AND PAPERBOARD								
Production - Unadj. (R)	70,889	74,429	6,313	6,439	6,311	6,288	76,720	4.3
Production - S.A.			6,372	6,377	6,382	6,387	76,450	3.8

(1) Includes all exports of kraft paperboard. R - Revised P - Preliminary S.A. - Seasonally Adjusted
(2) Data for unbl. kraft folding boxboard incl. in All Other P'bd. RS - Revised Series

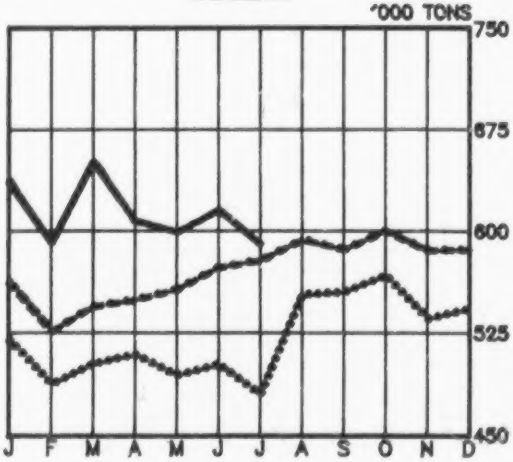
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



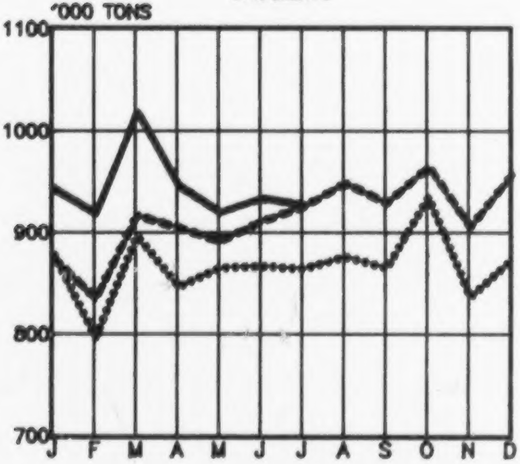
COATED PAPER

SHIPMENTS



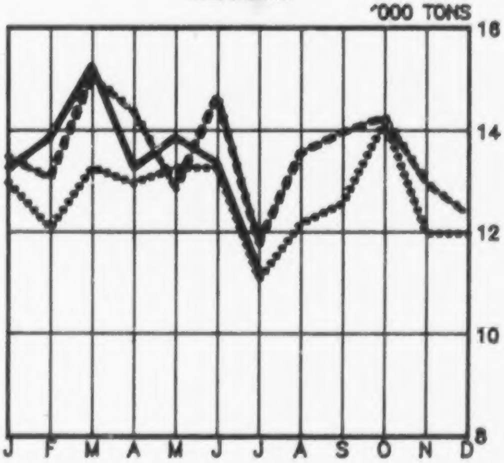
UNCOATED FREE SHEET PAPERS

SHIPMENTS



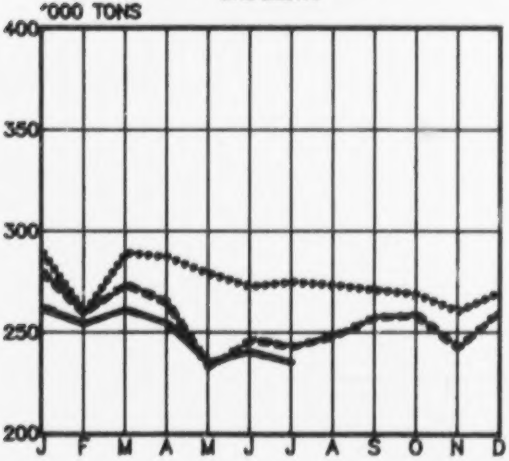
COTTON FIBER PAPER

SHIPMENTS



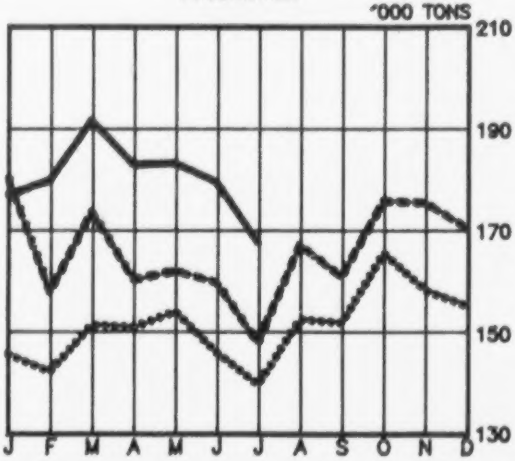
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1986 •••••••• 1987 ●●●●● 1988 ———

WOOD PULP STATISTICS
(Thousands of Tons)

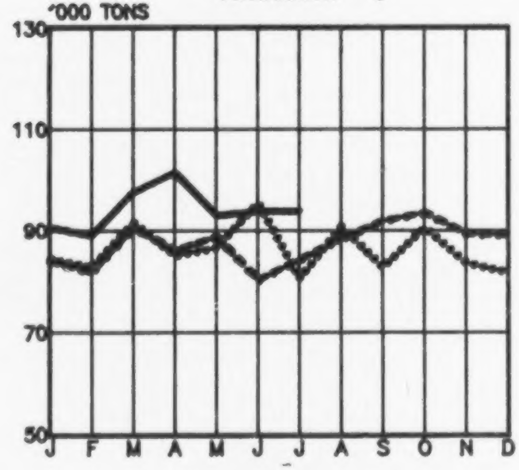
		YEAR		MARCH	APRIL	MAY	JUNE	Annual Rate Y-T-D	% Change from same Period
		1986	1987	1988	1988	1988	1988	1988	Last Year
TOTAL WOOD PULP						R	P		
Total Wood Pulp	- Production	57,005	59,552	5,222	5,004	4,991	4,964	60,744	3.2
	- Imports	4,582	4,850	432	428	415	415	5,017	3.0
	- Exports	4,458	4,889	491	453	433	497	5,416	14.2
	- New Supply	57,129	59,513	5,163	4,979	4,973	4,881	60,344	2.3
Dissolving Pulp	- Production	1,258	1,312	109	105	99	131	1,317	2.8
	- Imports	255	198	26	21	16	19	246	12.2
	- Exports	711	752	78	81	61	101	859	14.9
	- New Supply	801	757	57	44	54	49	703	-6.5
Paper Grades Chemical Pulp	- Production	46,081	48,293	4,259	4,037	4,011	4,003	49,150	2.9
	- Imports	4,220	4,456	378	370	360	362	4,397	-2.3
	- Exports	3,689	4,111	402	365	368	395	4,507	13.6
	- New Supply	46,612	48,637	4,235	4,042	4,003	3,971	49,041	1.6
Groundwood and Thermo-Mech.	- Production	5,476	5,702	495	509	507	481	5,957	7.4
	- Imports	108	197	28	37	39	33	374	146.6
	- Exports	59	26	11	6	3	1	50	98.2
	- New Supply	5,525	5,872	512	539	543	513	6,280	10.7
Semi-Chemical	- Production	4,191	4,246	360	354	373	349	4,320	1.3
	- Imports								
	- Exports								
	- New Supply	4,191	4,246	360	354	373	349	4,320	1.3
MARKET WOOD PULP									
Total Market Wood Pulp	- Production	7,572	8,114	728	676	642	700	8,304	5.4
	- Imports	3,122	3,235	296	298	260	288	3,405	8.5
	- Exports	4,470	4,820	477	392	379	456	4,933	6.7
	- New Supply	6,224	6,529	547	582	523	532	6,776	5.9
Dissolving Pulp	- Production	1,251	1,308	109	104	99	130	1,315	3.1
	- Imports	212	154	18	20	13	18	214	27.5
	- Exports	718	775	85	62	59	79	774	2.3
	- New Supply	745	687	42	62	53	70	755	9.9
Paper Grades Chemical Pulp	- Production	6,315	6,806	619	571	543	570	6,990	5.8
	- Imports	2,831	2,975	261	261	238	258	3,017	4.7
	- Exports	3,752	4,045	391	330	320	378	4,159	7.6
	- New Supply	5,394	5,736	489	502	461	450	5,847	4.0
Groundwood Pulp and All Other	- Production	5	0	0	0	0	0	0	0
	- Imports	79	106	16	18	9	12	175	91.7
	- Exports	0	0	0	(0)	0	(0)	(0)	0.0
	- New Supply	85	106	16	18	9	12	175	91.7

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

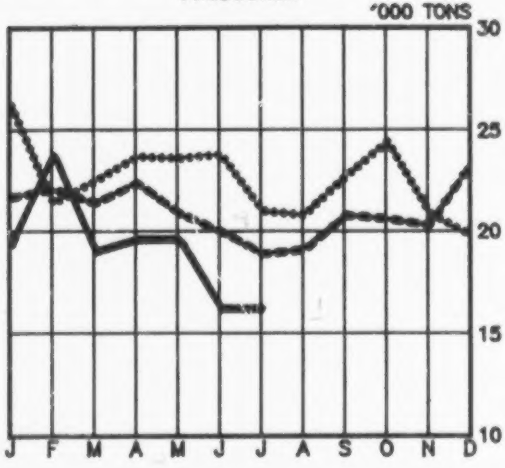
FIBROUS RAW MATERIALS
(Thousands of tons)

	YEAR		MARCH	APRIL	MAY	JUNE	Annual Rate Y-T-D	% Change from same Period
	1986	1987	1988	1988	1988	1988	1988	Last Year
CONSUMPTION AT PAPER & PAPERBOARD MILLS				R	P	P		
Total	74,345	77,770	6,866	6,545	6,652	6,495	79,590	3.4
Total Wood Pulp	57,061	59,474	5,205	5,004	5,041	4,932	60,672	3.0
Waste Paper	17,285	18,296	1,660	1,541	1,611	1,563	18,918	4.9
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers' Own-Use Inventories	174	170	169	169	160	175	175	-0.7
Producers' Market Inventories	284	224	237	256	243	193	193	-30.1
Consumers' Purchased Inventories #	496	529	532	532	513	534	534	0.8
Waste Paper at Paper & Bd. Mills	838	920	926	937	897	906	906	10.4
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	16	12	12	13	13	10	10	-33.3

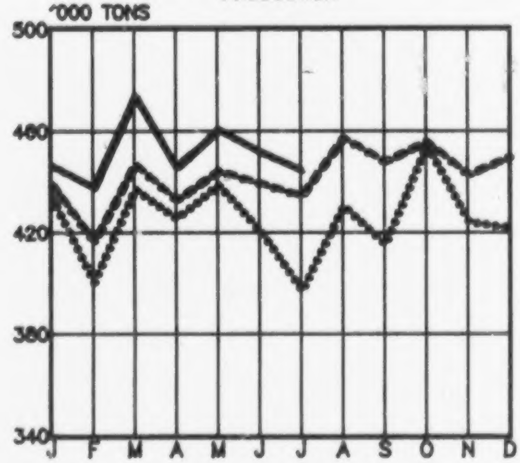
SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API. # Includes all grades of wood pulp.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons



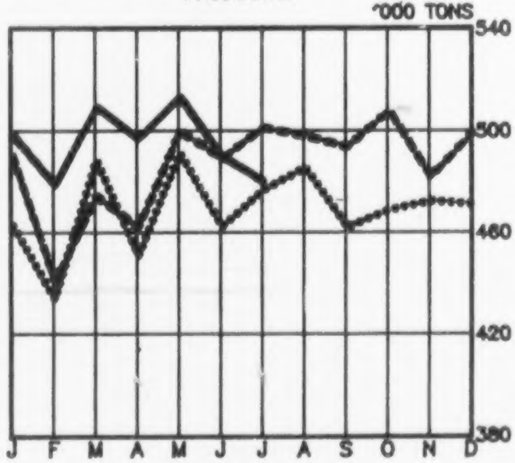
BLEACHED BRISTOLS
PRODUCTION



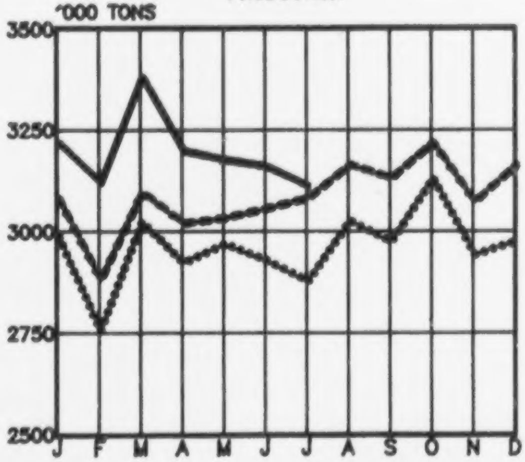
THIN PAPER
PRODUCTION



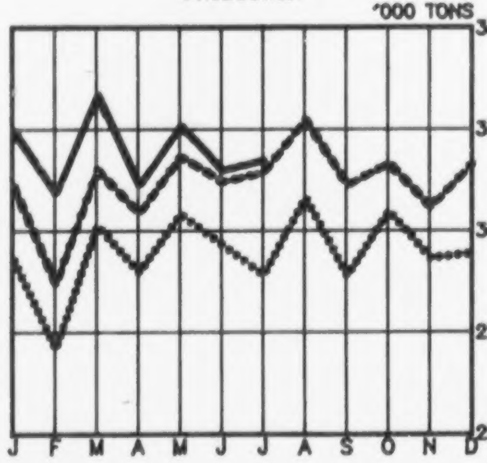
TISSUE PAPER
PRODUCTION



NEWSPRINT
PRODUCTION



TOTAL PAPER
PRODUCTION



TOTAL PAPERBOARD
PRODUCTION

1986 •••••••• 1987 ▬▬▬▬ 1988 ———

FIBROUS RAW MATERIALS
(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1986	YEAR 1987	MARCH 1988	APRIL 1988	MAY 1988	JUNE 1988	Annual Rate Y-T-D 1988	% Change From Same Period Last Year
PULPWOOD									
Total U.S.	**- Total Receipts**	90,943	94,312	8,345	7,911	7,611	7,766	94,588	1.3
	- Total Consumpt	91,434	93,946	8,249	8,137	7,650	7,689	95,382	2.3
	- Residues *	32,755	32,899	2,924	2,925	2,753	2,603	33,092	1.8
	- Inventories	4,794	5,096	4,942	4,642	4,420	4,507	4,507	-3.1
So. Atlantic	**- Total Receipts**	29,513	31,147	2,807	2,663	2,412	2,489	30,972	2.1
	- Total Consumpt	29,425	30,915	2,708	2,740	2,450	2,512	31,230	2.7
	- Residues *	9,343	9,553	903	865	785	683	9,766	9.2
	- Inventories	994	1,211	1,155	1,090	1,041	1,033	1,033	4.1
Northeast	**- Total Receipts**	7,277	6,941	621	456	541	630	6,922	-3.0
	- Total Consumpt	7,227	7,109	645	660	621	582	7,468	2.4
	- Residues *	1,419	1,543	150	144	134	141	1,648	3.3
	- Inventories	484	594	657	491	402	445	445	1.1
South Central	**- Total Receipts**	31,790	33,650	3,005	2,799	2,716	2,789	33,434	0.3
	- Total Consumpt	32,113	33,059	2,981	2,754	2,699	2,748	33,484	2.4
	- Residues *	9,792	9,992	887	806	802	841	9,834	-4.5
	- Inventories	926	1,294	1,070	1,067	1,018	1,068	1,068	3.4
North Central	**- Total Receipts**	6,571	6,552	589	482	563	586	7,122	12.2
	- Total Consumpt	6,730	6,764	595	588	606	582	7,160	6.1
	- Residues *	1,042	1,263	108	102	105	118	1,394	37.5
	- Inventories	892	830	1,000	891	818	806	806	-0.6
West	**- Total Receipts**	15,792	16,022	1,323	1,511	1,379	1,272	16,138	-0.5
	- Total Consumpt	15,939	16,099	1,320	1,395	1,274	1,265	16,040	-0.2
	- Residues *	11,159	10,548	868	1,008	927	820	10,450	-2.0
	- Inventories	1,490	1,167	1,060	1,103	1,141	1,155	1,155	-16.0

* - Consumption of Residues in Cord Equivalents. SOURCE: American Pulpwood Association

UNITED STATES TRADE WITH CANADA

IMPORTS FROM CANADA

	YEAR 1987 Tons	YEAR 1987 ($000's)	MAY 1988 Tons	MAY 1988 ($000)	JUNE 1988 Tons	JUNE 1988 ($000)	Annual Rate Y-T-D 1988 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	15,382	1,736	1,875	524	36	4	29,974	2321.2
Pulpwood chips	487,147	15,250	64,778	3,051	45,268	2,451	786,396	89.[illegible]
Wood Pulp, Total	4,320,114	1,842,019	362,068	185,904	354,762	183,651	4,285,138	-2.3
Waste Fibrous Materials, Total	186,286	36,423	21,998	4,692	21,033	4,663	250,412	30.2
Paper, Board & Products, Total	10,508,047	5,093,903	929,283	503,556	881,184	480,576	10,786,849	1.0
Paper, Paperboard, Wet Machine Bd. & Constr. Paper & Bd.	10,441,472	4,845,663	917,577	482,849	869,149	459,894	10,639,790	1.1
Paper, Paperboard & Products	10,365,412	5,027,943	910,264	496,924	864,010	475,401	10,589,360	1.4
Paper & Paperboard, Only	10,218,838	4,779,702	898,550	476,217	851,975	454,719	10,442,300	1.4
Paper, Total	9,961,198	4,698,148	875,987	468,034	828,694	446,354	10,175,952	1.3
Newsprint	8,588,309	3,956,147	741,038	384,392	689,623	361,614	8,573,464	-1.6
Printing, Writing & Rel. Pap.	1,111,641	601,978	111,045	68,668	115,886	70,571	1,309,036	23.7
Pack. & Ind. Conv. Paper	215,514	102,986	18,507	10,195	18,222	9,832	236,562	6.2
Special Industrial Paper	5,478	9,844	503	990	409	817	4,664	-25.3
Tissue Paper	40,257	27,194	4,894	3,789	4,554	3,519	52,227	32.9
Paperboard, Total	257,639	81,554	22,571	8,183	23,281	8,365	266,348	6.1
Convtd Paper&Paperbd Products	146,575	248,241	11,706	20,707	12,035	20,682	147,060	-2.8
Wet Machine Board	2,890	1,977	238	172	274	195	3,197	2.9
Construction Paper & Board	219,744	63,983	10,781	6,460	16,900	4,980	194,292	-15.5

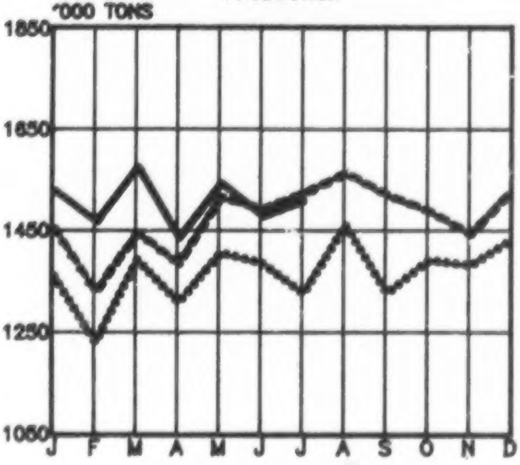
EXPORTS TO CANADA

Pulpwood, Roundwood (in cords of 128 cubic feet)	12,617	770	2,740	159	0	0	15,418	341.5
Pulpwood chips	61,575	4,014	7,921	438	761	35	45,244	-45.0
Wood Pulp, Total	198,921	75,956	18,881	6,927	18,444	6,500	261,668	30.4
Cotton Pulp & Other Pulp	58,288	14,775	7,784	2,285	6,084	1,858	84,974	107.2
Waste Paper	286,898	30,592	30,118	3,509	25,512	2,827	307,152	16.5
Paper, Board & Products, Total	957,434	598,429	101,072	63,054	99,681	61,983	1,339,407	50.7
Paper, Paperboard, Wet Machine Bd. & Constr. Paper & Bd.	712,494	398,256	69,251	40,251	72,503	40,237	1,046,053	55.0
Paper, Paperboard & Products	920,755	581,481	98,534	61,765	96,966	60,590	1,305,460	53.2
Paper & Paperboard, Only	675,815	381,308	68,714	38,963	69,788	38,844	1,012,107	58.5
Paper, Total	297,585	250,807	30,406	25,986	26,306	24,695	366,271	21.5
Newsprint	4,525	3,728	270	231	480	459	3,731	-27.6
Printing, Writing & Rel. Pap.	151,716	125,667	14,974	13,979	13,850	13,628	175,821	20.3
Pack. & Ind. Conv. Paper	25,826	17,841	2,893	2,211	2,496	2,293	40,376	63.0
Special Industrial Paper	110,107	97,080	11,731	9,129	9,096	7,829	141,078	15.8
Tissue Paper	5,411	6,490	538	435	384	486	5,263	48.5
Paperboard, Total	378,230	130,501	36,308	12,977	43,482	14,149	645,836	91.7
Convtd Paper&Paperbd Products	244,940	200,173	31,821	22,802	27,178	21,746	293,353	37.2
Wet Machine Board	10,212	4,828	430	165	905	363	7,228	-40.2
Construction Paper & Board	26,467	12,120	2,107	1,123	1,810	1,031	26,719	10.3

SOURCE: Bureau of Census, Department of Commerce . E - Estimate of tonnage based on square foot data

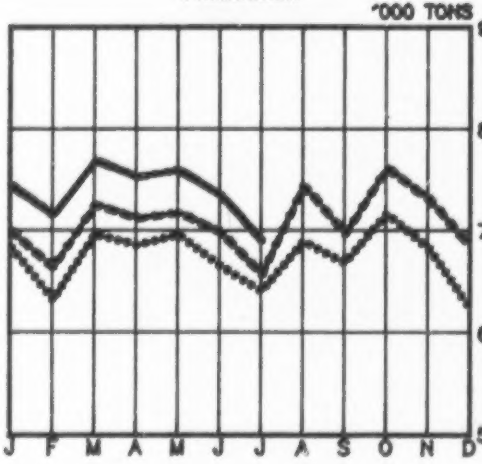
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



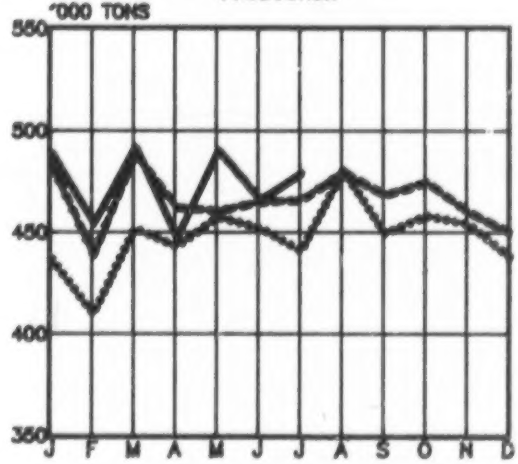
RECYCLED PAPERBOARD

PRODUCTION



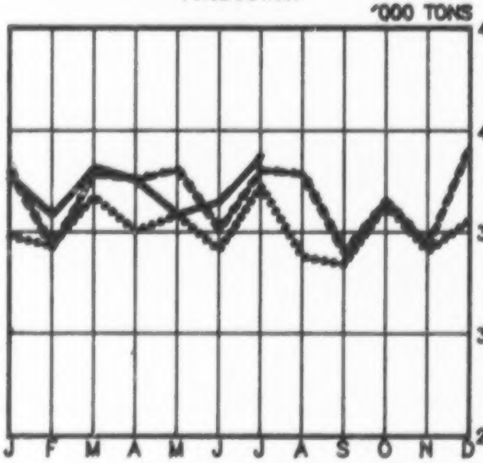
SEMICHEMICAL PAPERBOARD

PRODUCTION



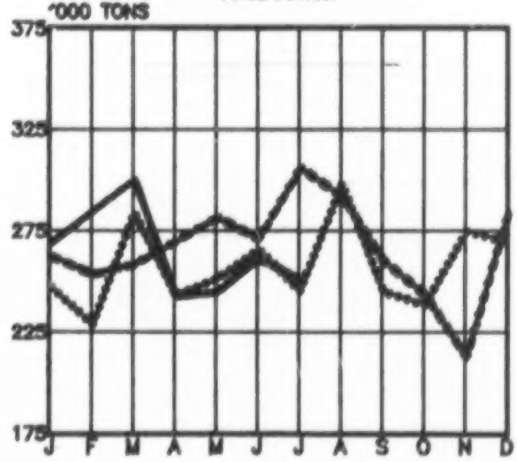
SOLID BLEACHED PAPERBOARD

PRODUCTION



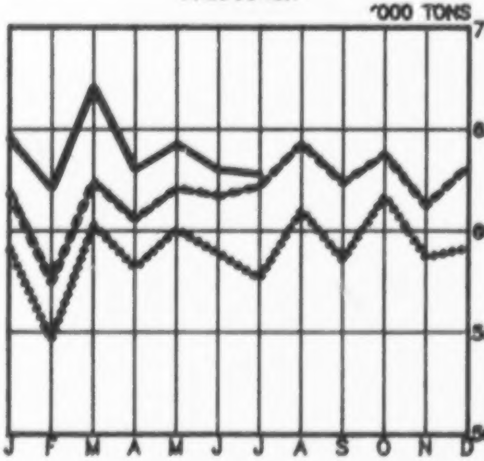
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1986 ········ 1987 -·-·-·- 1988 ———

IMPORTS

	YEAR 1987 Tons	YEAR 1987 $000	1988 MAY Tons	1988 MAY $000	1988 JUNE Tons	1988 JUNE $000	(1) Annual Rate YTD 1988 Tons	% Change from same Period Last Year
Pulpwood Roundwood (cords)	15,432	1,746	1,875	524	38	5	29,970	2140.5
Pulpwood Chips	525,629	15,476	65,500	3,088	49,728	2,539	804,496	66.4
Total All Imports	17,891,172	9,043,600	1,561,719	903,103	1,516,170	882,416	18,441,031	3.5
Wood Pulp Total	4,850,230	2,069,389	414,958	215,093	414,783	217,872	5,016,700	3.0
Waste Paper	127,398	19,231	14,371	2,247	13,382	2,101	174,260	49.3
Other Fibrous Materials	76,491	27,287	9,400	3,291	9,855	3,331	98,060	3.6
Paper Board & Products Total	12,837,046	6,927,693	1,122,990	682,553	1,078,150	659,112	13,152,003	3.3
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	12,435,486	5,995,122	1,089,811	598,527	1,041,825	574,459	12,747,666	3.6
Paper Ppbd & Prds ex Cnst&WMB	12,527,598	6,828,736	1,095,059	672,676	1,051,088	650,433	12,856,352	3.6
Paper & Paperboard Only	12,126,039	5,896,165	1,061,880	588,650	1,014,763	565,780	12,452,015	3.9
Paper Total	11,765,208	5,768,703	1,028,845	575,692	986,290	554,949	12,107,630	4.4
Newsprint	8,986,540	4,121,327	766,207	396,627	714,840	373,402	8,882,640	-1.8
Printing & Writing	2,410,216	1,412,458	232,052	156,118	239,331	159,951	2,830,821	29.6
Uncoated Groundwood	1,269,774	654,767	115,796	68,773	116,135	67,754	1,446,911	23.0
Coated Print.& Impreg. Pap.	674,531	467,865	63,204	50,184	69,155	53,679	759,960	33.9
Uncoated Free Sheet	417,395	249,943	45,419	30,894	49,245	34,270	561,407	45.4
Uncoated Book	210,624	119,775	19,983	12,888	21,408	14,100	234,126	15.1
Writing and Similar Paper	206,771	130,168	25,436	18,007	27,836	20,170	327,281	79.2
Thin (except Cigarette)	47,567	38,831	7,569	6,182	4,731	4,156	61,686	16.1
Bristols	950	1,052	65	85	67	91	857	-7.3
Total Pkg & Other Paper	310,324	191,620	25,625	19,036	27,391	17,811	326,445	5.2
Unbleached Kraft Paper	168,420	69,828	12,354	5,961	13,431	6,414	169,054	-0.5
Other Pkg. & Indust. Paper	141,904	121,792	13,271	13,075	13,960	11,397	158,391	12.0
Tissue	58,121	43,299	4,961	3,910	4,727	3,705	67,724	12.4
Paperboard, Total	360,831	127,461	33,036	12,958	28,473	10,831	344,385	-10.8
Test or Containerboard	80,981	29,352	5,996	2,726	6,322	2,801	72,801	-11.6
Semi-Chemical Corrugating	128,636	33,898	14,789	4,669	13,874	4,266	155,166	24.6
Other Paperboard	151,214	64,211	12,251	5,563	8,278	3,764	116,419	-35.0
Convtd Paper&Paperbd Products	401,559	932,571	33,179	84,025	36,325	84,653	404,337	-5.2
Paper Products, Total	368,179	866,121	29,770	78,478	33,044	78,233	367,340	-6.1
Paperboard Products, Total	33,380	66,450	3,410	5,540	3,281	6,420	36,988	3.8
Wet machine Board	3,463	2,630	347	296	348	267	4,375	20.7
Construction Paper & Board	385,985	96,320	27,583	9,581	26,714	8,412	291,276	-7.7
Notes								
Other: No Weight Avail. ($000)		201,453		13,657		17,074	170,590	-18.6
Total Imports Incl. Other($000)		9,245,053		916,841		899,490	10,652,017	10.9

EXPORTS

							(1)	
Pulpwood, Roundwood (cords)	16,178	913	2,740	159	0	0	17,102	193.0
Pulpwood Chips	2,546,467	188,459	386,816	30,028	273,760	23,415	3,100,734	45.2
Total All Exports	14,797,437	6,007,818	1,386,675	600,723	1,493,032	660,416	16,980,221	18.7
Wood Pulp,Total	4,889,331	2,259,377	432,655	224,039	497,078	266,006	5,416,472	14.2
Cotton Pulp and Other Pulp	102,001	91,365	16,949	9,859	14,730	9,198	213,234	30.8
Waste and Old Paper	4,422,139	553,348	472,071	58,490	490,516	62,014	5,399,540	29.5
Paper, Board & Products,Total	5,383,966	3,103,728	464,200	307,535	490,700	322,399	5,950,975	13.6
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	4,578,770	2,280,329	385,878	213,840	416,884	234,374	5,124,650	12.3
Paper, Ppbd & Prod ex Cnst&WMB	5,196,613	3,044,506	451,566	301,330	473,756	311,964	5,809,719	13.2
Paper & Paperboard, Only	4,471,418	2,221,107	373,245	207,635	399,940	223,939	4,983,395	11.0
Paper, Total	921,397	776,101	93,466	80,356	83,425	80,301	1,061,701	17.0
Newsprint	339,773	210,093	25,073	18,805	32,775	22,635	340,931	-4.0
Printing & Writing	249,092	242,639	26,059	27,765	23,420	26,143	291,350	27.7
Uncoated Groundwood	55,841	39,750	5,917	4,980	5,726	4,894	60,160	57.4
Clay Coated Paper	100,839	72,145	7,949	6,350	7,981	6,500	106,423	10.3
Uncoated Free Sheet	67,858	99,330	7,577	11,467	6,795	10,095	81,597	35.1
Other Printing & Writing	24,554	31,414	4,617	4,967	2,926	4,655	35,162	26.1
Total Pkg. & Other Paper	294,201	292,659	29,509	30,707	25,265	28,606	364,030	23.8
Unbleached Kraft	89,194	40,758	8,334	4,414	8,090	3,961	101,044	21.3
Other Pkg. & Indust. Paper	205,007	251,901	21,176	26,293	17,167	24,645	262,986	24.8
Tissue	38,332	30,790	12,824	3,080	1,956	2,918	65,470	118.6
Paperboard, Total	3,550,021	1,444,926	279,779	127,279	316,515	143,638	3,921,614	10.4
Solid Wood Pulp	3,218,952	1,321,618	255,175	115,559	290,289	131,284	3,618,566	10.6
Total Linerboard	2,296,633	812,161	165,605	65,191	181,276	74,003	2,300,762	-0.4
Bleached Kraft Linerboard	102,266	46,429	5,296	4,150	6,230	4,312	141,356	151.3
Unbleached Kraft Linerbd	2,194,367	765,731	160,310	61,041	175,045	69,691	2,159,406	-4.2
Other Unbleached Kraft	210,566	78,596	26,952	8,297	30,897	10,710	545,973	145.9
Other Bleached Kraft	647,803	407,923	59,258	40,765	67,196	45,346	719,500	8.7
Semi-Chemical Corrugating	63,951	22,938	3,360	1,306	2,920	1,225	52,331	-33.2
Recycled Paperboard	331,069	123,308	24,604	11,720	26,227	12,354	303,047	8.4
Convtd Paper&Paperbd Products	725,196	823,399	78,322	93,695	73,816	88,025	826,325	22.5
Paper Products, Total	301,202	540,681	36,195	61,011	29,373	56,989	357,797	22.1
Paperboard Products, Total	423,994	282,718	42,127	32,684	44,443	31,037	468,527	22.8
Wet Machine Board	17,328	7,816	1,106	472	1,172	522	12,870	-40.0
Construction Paper & Board E	98,024	51,405	11,527	5,733	15,772	9,912	128,386	54.9
Notes								
Other: No Weight Avail. ($000)		8,037		544		938	8,818	8.6
Total Exports Incl. Other($000)		6,015,855		601,267		661,355	7,337,106	26.9

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description.

PRODUCER PRICE INDEXES

1982 = 100

	1986	1987	MARCH 1988	APRIL 1988	MAY 1988	JUNE 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	107.5	114.3	121.6	122.6	124.1	124.8	122.6	8.6
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	106.9	113.2	120.4	121.5	123.1	123.8	121.5	8.7
Total Wood Pulp	94.7	111.5	127.0	135.0	137.2	140.1	132.5	21.6
Total Paper	107.0	111.5	119.6	121.0	122.0	122.3	120.8	9.6
Total Paper, exc. Newsprint	107.9	110.6	118.0	120.7	121.8	121.9	120.4	10.2
Newsprint	103.3	112.3	127.9	127.2	127.5	127.5	127.5	16.9
Total Paperboard	106.5	118.1	130.5	132.6	133.1	134.0	131.2	13.5
Total Paper and Paperboard *	106.8	113.6	123.0	124.6	125.5	126.0	124.0	10.9
Converted Products	109.4	114.7	119.6	119.8	122.0	122.7	120.7	6.3
Waste Paper	142.6	181.4	193.6	187.9	184.5	183.9	188.9	6.8
All Commodities	100.2	102.8	104.9	105.8	106.5	107.4	106.0	3.9
Industrial Commodities	100.0	102.6	104.7	105.6	106.1	106.5	105.5	3.8

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

TOTAL PRODUCTION BY GRADE FOR E.P.I. MEMBER COUNTRIES

	1987 Production (000 mt)	% Change 1986-87
Newsprint	1,889	4.7%
Uncoated Mechanical	4,680	4.5%
Uncoated Woodfree	6,554	2.4%
Coated Paper	7,847	12.9%
Sanitary & Household	2,899	7.1%
Other Papers	1,505	3.4%
Wrappings	3,540	1.8%
Case Materials	10,936	6.5%
Folding Boxboard	4,758	4.6%
Other Boards	3,182	0.6%
Total Paper and Board	**53,167**	**5.5%**

Source: European Paper Institute

fuels and electric energy as a percentage of the dollar value of pulp, paper and paperboard shipments declined from 14% in 1982 to 9.7% in 1986 and 8.8% last year. The decline in the paper industry's energy outlays relative to the value of its shipments resulted from a combination of factors, including energy efficiency gains through 1986, lower energy prices, and increases in the market value of paper products. Energy outlays as a percentage of the paper industry's dollar-value shipments had more than doubled from 1972 to 1982, rising from 6.9% to 14.0% 1982.

After adjustment for the net effect of changes in capacity utilization, environmental energy use and fuel mix, the energy efficiency of the paper industry (purchased energy use measured in BTUs per ton of output) improved 41.6% between 1972 and 1987. However, energy efficiency, as defined here, declined 2.3% between 1986 and 1987, the first year-to-year decline recorded for this series. Last year's pause in the long-term trend towards greater energy efficiency was largely due to the industry's taking advantage of lower natural gas prices. In fact, total purchased and self-generated energy use per ton of output declined by 0.7% in 1987. A return of higher oil and gas prices would probably lead to reduced unit consumption of purchased energy.

PAPER INDUSTRY ENERGY USAGE PATTERNS
(% of total BTUs)

	1972	1986	1987
Purchased Electricity	4.4%	6.4%	6.1%
Coal	10.7	14.9	13.9
Residual Fuel Oil	21.2	8.2	6.7
Distillate Fuel Oil	1.0	0.3	0.4
Natural Gas	21.1	12.5	14.4
Other	1.3	1.0	1.8
Total Purchased	**59.7%**	**43.3%**	**43.3%**
Wood Residues	2.0%	11.1%	10.7%
Bark	4.5	5.8	5.6
Spent Pulping Liquors	33.3	39.1	39.5
Self-Generated Hydropower	0.4	0.4	0.5
Other	0.1	0.3	0.4
Total Self-Generated	**40.3%**	**56.7%**	**56.7%**

Source: API Energy and Materials Department

EUROPEAN PAPER PRODUCTION RECORDS STRONG GAIN IN 1987

Paper and paperboard production by the 15 nations that are members of the European Paper Institute (E.P.I) rose 5.5% in 1987 to 53.2 million metric tons, according to the Institute. Consumption of paper and paperboard by the same countries came to 49.3 million tons. By way of comparison, U.S. production of paper and paperboard rose 5% in 1987, to 67.5 million metric tons, and U.S. new supply (i.e., apparent consumption) also increased 5%, to 74.2 million metric tons.

Gross exports of the E.P.I. member countries totaled 26.7 million tons in 1987, but just four countries -- Finland, Sweden, Germany, and France -- accounted for 69% of that volume, according to the Institute. Exports to countries outside the E.P.I. amounted to 6.2 million tons in 1987, or 11.7% of total production, up from 10.5% of production in 1983.

E.P.I. member countries imported 22.8 million tons of paper and paperboard in 1987, with 2.5 million tons of that total originating with non-E.P.I. nations. The 2.5 million tons imported from nations outside the E.P.I. group accounted for 5.1% of apparent consumption. The following table reports production, exports, imports, and apparent consumption of paper and paperboard for E.P.I. member countries. Production growth rates by grade are shown on page 10.

1987 PAPER AND BOARD PRODUCTION OF EPI-MEMBER COUNTRIES
(000 metric tons)

	Production	Exports*	Imports*	Apparent Consumption
Austria	2,357	1,718	362	1,001
Belgium	1,030	706	1,516	1,840
Denmark	323	163	822	982
Finland	8,012	7,040	94	1,066
France	5,832	1,787	3,299	7,344
Germany	9,924	3,384	5,134	11,674
Ireland	30	15	290	305
Italy	4,882	1,027	2,033	5,888
Netherlands	2,168	1,439	1,918	2,647
Norway	1,589	1,281	248	556
Portugal	627	185	160	602
Spain	3,252	461	743	3,534
Sweden	7,811	6,316	288	1,783
Switzerland	1,147	467	647	1,327
United Kingdom	4,183	684	5,285	8,784
TOTAL:	**53,167**	**26,673**	**22,839**	**49,333**

Source: European Paper Institute
*Intra-E.P.I. member imports/exports included

A2500-2

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

August 31, 1988

PRODUCTION (000 TONS)

*	*	*	*	*	*	
	JULY 1988	JUNE 1988	JULY 1987	FIRST SEVEN MONTHS 1988	1987	% CHANGE YR TO DATE 1988/1987
PAPER GRADES						
Newsprint	481	490	502	3,469	3,360	3.2
Printing & Writing	1,783	1,796	1,755	12,720	11,890	7.0
Uncoated Groundwood (s)	142	120	133	919	888	3.5
Coated Paper (s)	592	617	580	4,302	3,900	10.3
Uncoated Free Sheet Paper (s)	928	935	927	6,614	6,266	5.6
Thin Paper (s)	16	16	19	134	147	-9.2
Cotton Fiber Paper (s)	11	13	12	94	96	-1.2
Bleached Bristols (s)	94	94	84	657	594	10.6
Tissue Paper	444	451	434	3,156	3,050	3.5
Total Pkg & Other Paper	404	421	392	3,011	2,946	2.2
Unbl. Kraft Paper (s)	236	241	244	1,748	1,804	-3.1
Other Paper	168	180	148	1,263	1,142	10.6
TOTAL PAPER	3,110	3,158	3,082	22,355	21,246	5.2
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,619	1,583	1,642	11,292	10,904	3.6
Unbleached Kraft Linerboard	1,509	1,477	1,523	10,530	10,140	3.9
Other Unbl. Kraft Paperboard	111	106	119	762	765	-0.3
Semichemical Paperboard	480	466	466	3,318	3,265	1.6
Bleached Paperboard	389	366	382	2,612	2,596	0.6
Recycled Paperboard	691	737	658	5,176	4,882	6.0
TOTAL PAPERBOARD	3,178	3,152	3,148	22,398	21,648	3.5
TOTAL PAPER AND PAPERBOARD	6,288	6,311	6,230	44,753	42,894	4.3
WOOD PULP (ALL GRADES)	JUNE 1988	MAY 1988	JUNE 1987	FIRST SIX MONTHS 1988	1987	% Change 88/87
Dissolving & Special Alpha	131	99	113	658	640	2.8
Bleached Sulfite)	129	126	119	766	709	8.1
Unbleached Sulfite)						
Bleached & Semi-Bl. Sulfate	2,135	2,070	2,129	13,009	12,592	3.3
Unbleached Sulfate	1,739	1,816	1,784	10,800	10,574	2.1
Semichemical	349	373	355	2,160	2,132	1.3
Groundwood & Thermomechanical	481	507	467	2,978	2,773	7.4
TOTAL PULP DIVISION DATA	4,964	4,991	4,966	30,372	29,421	3.2

(s) - Shipments
P - Preliminary

AUGUST 31, 1988

	Full Year		INDUSTRY DATA 1987 - 1988			Ann. Rate Year - To - Date	% From Same Pd. Last Year
				R	P		
PAPER AND PAPERBOARD -- Tons (000)	1986	1987	May	June	July	1988	
Total Production (API).......: excluding :...	70,889	74,429	6,439	6,311	6,289	76,720	4.3
Total Seasonally Adjusted....:construction:...			6,377	6,382	6,387	76,449	3.8
Imports (including Products).: and wet :..E	11,597	12,528	1,095	1,051	1,030	12,785	3.4
Exports (including Products).: machine :..E	4,593	5,197	452	474	475	5,794	12.6
Apparent Consumption.........: grades :...	77,893 a	81,760 b	7,020	6,959	6,942	83,441 c	3.2
Paper Production % Tonnage Capacity...........	93.2 g	94.0	93.3	95.4	91.1	96.1	-
Paperboard Production % Tonnage Capacity......	94.3 g	96.8	98.4	97.4	95.2	97.9	-
			April	May	June		
IMPORTS.....:Including Construction and :...	11,936	12,837	1,088	1,123	1,078	13,152	3.3
EXPORTS.....: WMB Grades (excl. HPB) :...	4,687	5,304	506	464	491	5,951	13.6
			April	May	June		
MARKET WOOD PULP PRODUCTION - Tons (000).........	7,572	8,114	676	642	700	8,306	5.4
TOTAL WOOD PULP PRODUCTION - Tons (000)..........	57,005	59,552	5,004	4,991	4,964	60,745	3.2
WOOD PULP IMPORTS - TONS (000)...................	4,582	4,850	428	415	415	5,017	3.0
WOOD PULP EXPORTS - TONS (000)...................	4,458	4,889	453	433	497	5,417	14.2
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			April	May	June		
Wood Pulp.............:consumption for:.....	57,061	59,488	5,004	5,041	4,932	60,674	2.9
Waste Paper...........:construction & :.....	17,285	18,296	1,541	1,611	1,563	18,919	4.9
TOTAL..........: WMB grades :.....	74,345	77,784	6,545	6,652	6,495	79,593	3.4
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	91,434	93,946	8,137	7,650	7,689	95,382	2.3
EMPLOYMENT (000)			May	June	July		
Paper and Allied Products..........Total......	673.7	679.0	687.0	697.0	691.5	686.8	1.6
Pulp, Paper and Board Mills........Total.....E	248.1	244.9	245.3	250.0	247.5	245.6	0.1
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)			May	June	July		
Paper and Allied Products........................	11.18	11.42	11.64	11.63	11.74	11.60	2.1
Pulp, Paper Mills...........................E	13.63	14.00	14.25	14.32	14.40	14.19	2.2
Paperboard Mills............................E	13.98	14.30	14.62	14.34	14.40	14.40	1.4
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1987 Q3	1987 Q4	1988 Q1		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	8.77	8.92	8.84	10.02	9.58	11.37 Y	27.5
INDEX OF OUTPUT PER MAN-HOUR (1977=100)...........			May	June	July		
:IN PULP, PAPER :...Production Workers..........	131.2	140.0	142.4	142.0	145.5	144.1	3.5
:AND BOARD MILLS:...All Employees...............	128.6	136.7	139.1	139.0	141.2	140.7	3.7
PAPER AND ALLIED PRODUCTS (Million $)			April	May	June		
Industry Shipments (Dept. of Commerce)*........	103,916	118,855	10,990	10,280	10,356	127,408	11.8
Pulp, Paper and Paperboard*..................	44,033	51,518	5,039	4,525	4,547	57,278	17.6
Inventories (End of Period) - Total Industry*..	.10,429	11,284	11,534	11,390	11,436	11,436	4.9
Pulp, Paper and Paperboard*..................	4,115	4,266	4,355	3,957	3,978	3,978	-4.7
			1987 Q3	1987 Q4	1988 Q1		
Sales (Corporations Only)......................	74,844	95,576 RS	24,710	25,088	25,504	102,016	16.0
Earnings (Corporations Only)...................	3,280	5,520 RS	1,586	1,495	1,744	6,976	56.0
Depreciation (Corporations Only)...............	3,389	4,279 RS	1,108	1,051	1,169	4,676	10.2
Net Worth (Corporations Only)..................	31,221	39,217 RS	38,040	39,217	40,213	40,213	11.9
PRICE INDEXES (Bureau of Labor Stats)1982=100			May	June	July		
Pulp, Paper & Products, ex. Building Grades....	107.5	114.3	124.1	124.8	125.6	122.6	8.6
Wood Pulp....................................	94.7	111.6	137.2	140.1	138.3	132.5	21.6
Waste Paper..................................	142.6	181.4	184.5	183.9	185.3	188.9	6.8
Paper..	107.0	111.5	122.0	122.3	123.6	120.8	9.6
Paperboard...................................	106.5	118.1	133.1	134.0	134.3	131.2	13.5
PAPER DEMAND (INDEXED: 1977=100)			May	June	July		
Total Paper Production *......................	128.0	133.8	138.8	139.1	139.5	138.4	4.7
Paper New Supply *............................	133.7	140.6	145.3	144.8	145.5	144.8	4.2
Demand Indicators - (Weighted Average) *.....	146.4	154.5	161.1	162.5	163.4	161.3	5.7
Production of Nondurable Goods *...(21.2%).	130.1	136.8	141.9	142.5	143.6	142.1	5.2
Disposable Income ....*.(23.9%)	127.8	130.0	134.5	135.1	135.4	134.0	3.7
Total Printing and Publishing *...(54.9%).	160.9	172.0	180.1	182.2	183.2	180.6	6.5
Trend Factor				Not Available			
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *.................	121.9	129.1	131.5	131.4	131.2	131.6	3.0
Production for Domestic Use	118.7	126.5	129.5	128.6	129.0	128.7	3.1
Demand Indicators - (Weighted Average) *.....	121.9	125.9	131.3	131.8	132.6	130.8	5.1
Production of Consumer Goods *...(62.06%)	124.1	127.7	132.5	133.0	133.4	132.1	4.2
Production of Equipment *...(5.75%)	* 143.7	148.8	157.6	158.5	159.8	156.8	7.0
Production of Materials *...(32.19%)	113.8	118.3	124.2	124.7	126.2	123.8	6.6
Trend Factor				Not Available			
NEWSPRINT MARKETS			April	May	June		
Consumption by Publishers - Tons (000).........	13,158	13,583	1,128	1,166	1,091	15,509	18.2
Newspaper Pub. and Printing Empl. Total(000)...	461	471	475	476	480	476	2.0
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (PIB, Inc.)...........	154,317	160,573	15,102	15,065	12,891	181,174	14.9
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	38,245	44,741	4,029	4,072	4,440	50,268	21.2
Inventories (End of Period).	3,577	3,850	4,107	3,999	4,081	4,081	14.5
FIBRE BOX DATA (Fibre Box Association)			May	June	July		
Fibre Box Shipments (Million square feet).......	283,921	297,827	24,996	25,866	24,470	305,470	3.2
Container'bd Inventory at Mill & Plant(000Tons).	2,238	2,486	2,595	2,617	2,709	2,709	11.2
RETAIL TRADE (Billion $)			May	June	July		
Total Retail Sales *..........................	1,437	1,509	133	133	134	1,582	6.4
Nondurable Goods Stores Sales *...............	899	951	82	83	83	980	4.0
GENERAL ECONOMIC DATA			May	June	July		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	125.1	129.8	136.1	136.6	137.7	135.6	5.9
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1982=100).	100.2	102.8	106.5	107.4	107.8	105.9	3.9
CONSUMER PRICES (ALL ITEMS) (INDEX 1982-4=100)...	109.6	113.6	117.5	118.0	118.5	117.0	4.0
			April	May	June		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	586	621	627.1	632.3	638.6	638.6	8.9
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..			1987 Q4	1988 Q1	1988 Q2		
G.N.P. or Expenditure - Current $...............	4,240	4,527	4,663	4,725	4,820	4,772	7.5
G.N.P. or Expenditure - 1982 $..................	3,722	3,847	3,923	3,956	3,988	3,972	4.5

lb/capita

	Pap&Papbd		Othr		Totl	Popul(mil)
.a -	645	+	18	=	663	241.6
.b -	670	+	17	=	687	243.8
.c -	680	+	17	=	697	245.5

.e - estimated by API

f - Wood Pulp Production excludes def., explo. & acrngs.

g - Adjusted for holiday shutdowns

Q - Quarter

R - Revised

Y - Full year estim. by U.S. Dept. of Com.

* - Seasonally Adjusted.

A 2500-2
10/13/88

Paper
Paperboard
& Wood Pulp

MONTHLY STATISTICAL SUMMARY · Vol. 66 No. 9 SEPTEMBER 1988

PAPER AND PAPERBOARD PRODUCTION: STRONG AND STEADY

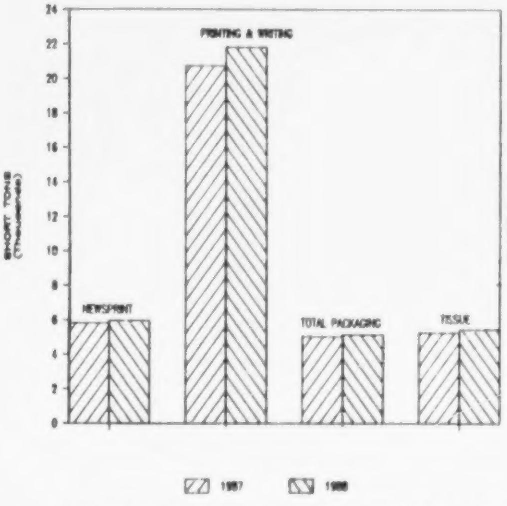
Production of paper and paperboard remained on the record-high plateau it reached in the first half of 1988, with the actual July-August totals at 77 million tons per year. The eight-month adjusted rate, which takes into account the leap-year day in 1988, was 3.5% above its year-ago level.

The charts at the bottom of this page summarize the production trends of the major paper and paperboard grade groupings, and depict the relative size of each. They compare annual rates of production in the first eight months of 1988 with the totals for all of 1987.

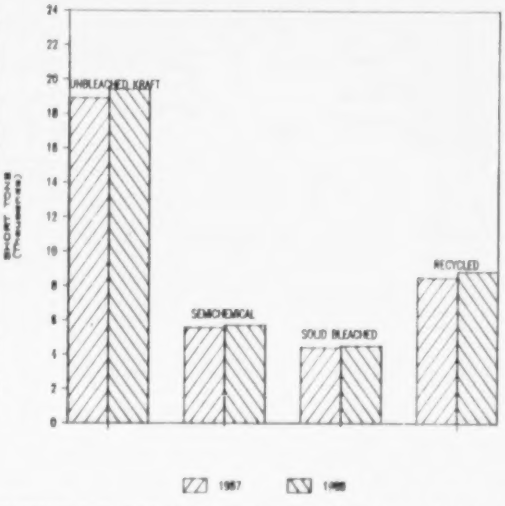
Paper: The demand for paper continues to make the major contribution to the growth trend for total paper and paperboard. Sparked by gains in printing-writing papers and packaging and industrial papers other than kraft, the trend of total paper production gained 5% from its year-earlier level in the first eight months of 1988.

The largest increase among the printing-writing grades was in coated paper shipments, which gained 10% in this period. The 7.4 million tons per year rate was equivalent to 97% of the reported capacity. The strongest markets for these papers were magazines, other periodicals and book publishers, followed by the commercial printers.

PAPER PRODUCTION



PAPERBOARD PRODUCTION



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The strength in demand for coated papers was also reflected in imports. The June-July rate of these imports was 845,000 tons per year, which brought the annual rate for the entire January- July period to 744,000 tons (see table on page 9), 32% above their corresponding 1987 level.

Total demand for coated papers as measured by new supply (production plus imports less exports) was a record-breaking 8.2 million tons, up 12% from its corresponding 1987 level.

Paperboard: Paperboard production continued in line with this year's flat trend, with the actual 7-month 1988 total 3.1% ahead of its year-ago level. The gains were concentrated in production for the domestic market; production for export was down by a slight 2%. The unadjusted January-August 1988 rate was 38.5 million tons per year, equivalent to 98% of the reported capacity.

Production of unbleached kraft paperboard, at 19.4 million tons per year, was 3.0% above its year-ago level in this period, equivalent to 99% of the reported capacity. Total kraft linerboard production gained 3.4%; production for domestic use 4.4%. This latter increase compares to a 3.7% gain in shipments of corrugated shipping containers and a 4.1% increase in production of total containerboard for domestic use. The levels are all at record highs, attesting to the strong demand for paperboard shipping containers.

In an unusual turnaround, recycled paperboard showed the largest year-to-year gain it its eight-month production total: up 5.0%. This strength is also reflected in the 4.1% gain shown for production of boxboard for domestic use, along with an 11% increase in recycled corrugating medium. The report on page 11 discusses the impact of these trends on the total use of waste paper by the paper industry.

Folding boxboard accounts for about one-half the domestic use total shown in the table on page 3. It is used to package a wide range of consumer products, such as cereals and other packaged food, soap products and drug store items.

Recycled folding boxboard, which accounts for about one half the domestic boxboard use total, rose 4.9% in the first eight months of 1988; solid bleached folding boxboard gained only 1.4%.

Bleached board production showed only modest gains. At 4.5 million tons per year, production rose by 1.1%, with the entire gain concentrated in production for domestic use. The rate was equivalent to 95% of the reported capacity. The largest market is folding boxboard, which accounts for about 47% of the bleached board total. Milk carton and food service items account for 42%; exports 13%. Production of milk carton stock gained 3% in the January-August 1988 period, but the total for the milk carton and food service group was a shade below its year-ago level.

Continued on page 11

PAPER AND PAPERBOARD STATISTICS

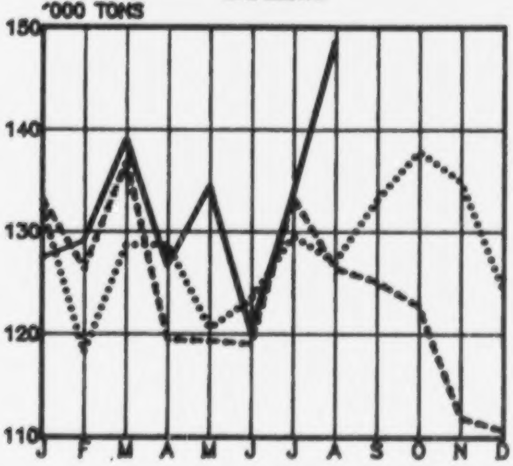
PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

	YEAR 1986	YEAR 1987	MAY 1988	JUNE 1988 (P)	JULY 1988 (P)	AUGUST 1988 (P)	Annual Rate Y-T-D 1988	% Change From same Period Last Year
PAPER								
Newsprint - Production	5,630	5,842	514	490	481	509	5,966	3.1
- Shipments	5,638	5,854	510	495	475	506	5,915	2.1
Printing & Writing Sum	19,668	20,700	1,702	1,796	1,747	1,880	21,847	6.4
Groundwood Paper - Shipments	1,540	1,485	135	120	134	149	1,591	4.5
- New Orders	1,553	1,529	152	122	131	139	1,501	1.1
-Unfilled Orders	124	164	179	188	177	169	169	20.0
Coated Papers - Shipments	6,263	6,860	601	617	594	644	7,421	10.1
- New Orders	6,334	7,066	620	612	662	636	7,510	6.2
- Unfilled Orders	469	708	678	688	746	745	745	6.8
Unctd Free Sheet - Shipments	10,410	10,977	921	935	903	966	11,332	4.7
- New Orders	10,485	11,184	921	964	906	937	11,417	4.2
- Unfilled Orders	587	773	779	828	819	791	791	23.7
Thin Papers - Shipments	271	251	20	16	14	15	220	-12.0
Cotton Fiber Paper - Shipments	152	163	14	13	12	12	161	-1.6
Bleached Bristols - Production	1,033	1,044	93	94	90	95	1,123	9.8
Tissue Paper - Production	5,095	5,301	461	454	451	460	5,454	3.7
Total Packaging & Other Paper	5,117	5,068	419	421	404	429	5,160	2.3
Unbl. Kraft Paper - Shipments	3,303	3,075	236	241	236	240	2,994	-2.8
Other Paper - Production	1,814	1,993	183	180	169	180	2,166	10.3
TOTAL PAPER-Production-Unadj.	35,510	36,990	3,176	3,161	3,082	3,278	38,428	5.0
-Production-S.A.			3,200	3,207	3,214	3,221	38,362	4.5
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	27,336	28,944	2,503	2,416	2,488	2,555	29,667	2.4
Total Unbl. Kraft Paperboard	17,689	18,913	1,653	1,583	1,619	1,666	19,438	3.0
Unbl. Kraft Linerboard (1)	16,402	17,682	1,545	1,480	1,511	1,552	18,150	3.4
Production for Export	2,246	2,318	186	197	191	203	2,417	0.9
Other Unbl. Kraft Paperboard	1,287	1,232	107	104	108	114	1,288	-1.8
Semichemical Paperboard	5,376	5,600	491	466	480	494	5,718	1.8
Production for Export	213	189	10	9	10	14	133	-34.7
Solid Bleached Paperboard	4,222	4,420	360	366	389	395	4,511	1.1
Production for Export	569	619	45	53	46	55	606	-3.8
Recycled Paperboard	8,092	8,506	761	737	694	730	8,863	5.0
Production for Export	70	75	7	6	6	6	74	9.7
TOTAL PAPERBOARD-Prod.-Unadj.	35,379	37,439	3,264	3,152	3,181	3,285	38,530	3.1
- Containerboard Prod.(Dom. Use)	21,426	23,016	2,043	1,923	1,985	2,003	23,633	3.6
- Boxboard Prod.(Dom. Use) (2)	5,863	6,026	506	512	518	541	6,278	4.0
- All Other P'bd Prod.(D.U.) (2)	4,992	5,196	467	453	425	462	5,388	2.8
- Total Paperbd Prod. for Export	3,097	3,201	248	265	254	279	3,231	-2.0
TOTAL PAPERBOARD PROD.- S.A.			3,174	3,166	3,158	3,151	38,056	2.6
TOTAL PAPER AND PAPERBOARD								
Production - Unadj. (R)	70,889	74,429	6,440	6,313	6,263	6,563	76,957	4.0
Production - S.A.			6,374	6,373	6,372	6,372	76,418	3.6

(1) Includes all exports of kraft paperboard. R - Revised P - Preliminary S.A. - Seasonally Adjusted
(2) Data for unbl. kraft folding boxboard incl. in All Other P'bd.

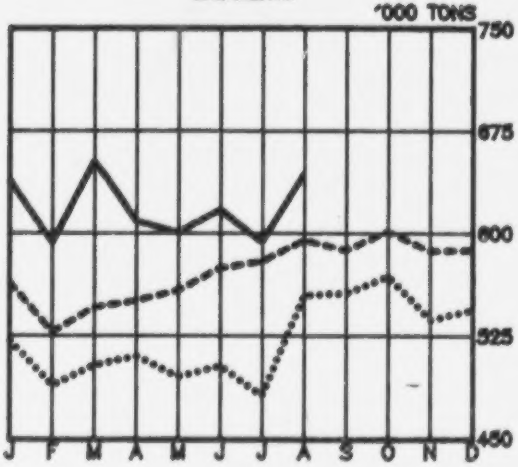
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



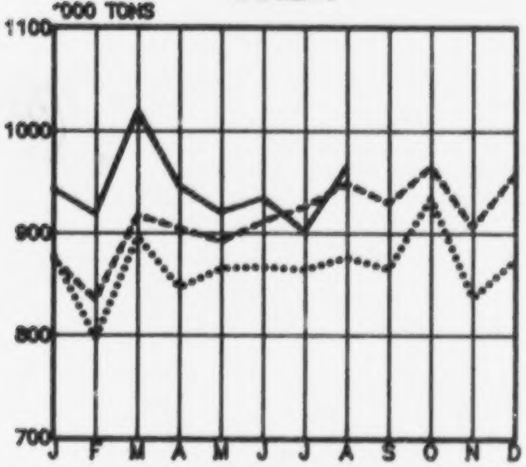
COATED PAPER

SHIPMENTS



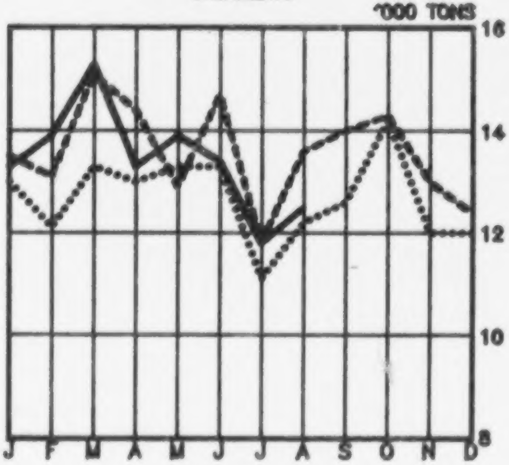
UNCOATED FREE SHEET PAPERS

SHIPMENTS



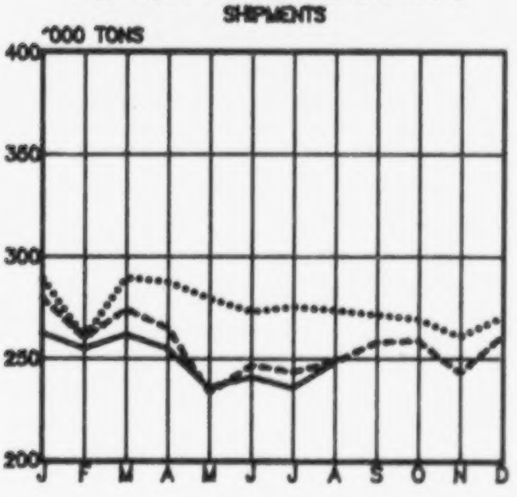
COTTON FIBER PAPER

SHIPMENTS



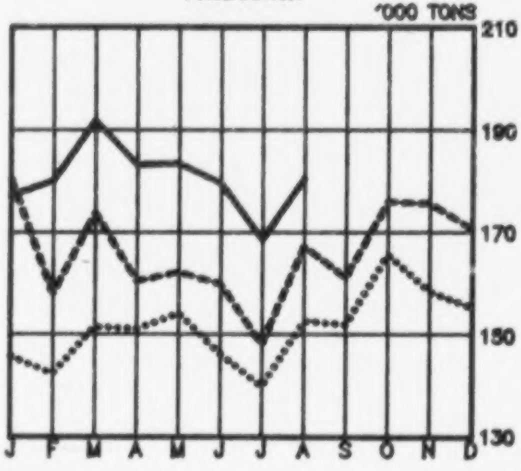
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1986 ········ 1987 – – – – 1988 ——

WOOD PULP STATISTICS

(Thousands of Tons)

		YEAR 1986	YEAR 1987	APRIL 1988	MAY 1988	JUNE 1988	JULY 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
TOTAL WOOD PULP						R	P		
Total Wood Pulp	- Production	57,005	59,552	5,004	4,991	4,949	5,212	60,977	3.0
	- Imports	4,582	4,850	428	415	415	416	5,014	3.1
	- Exports	4,458	4,889	453	433	497	392	5,314	9.4
	- New Supply	57,129	59,513	4,979	4,973	4,867	5,236	60,676	2.5
Dissolving Pulp	- Production	1,258	1,312	105	99	117	117	1,306	-0.2
	- Imports	255	198	21	16	19	11	230	11.4
	- Exports	711	752	81	61	101	56	833	10.7
	- New Supply	801	757	44	54	36	72	703	-7.7
Paper Grades Chemical Pulp	- Production	46,081	48,293	4,037	4,011	4,003	4,235	49,388	2.8
	- Imports	4,220	4,456	370	360	362	375	4,411	-1.7
	- Exports	3,689	4,111	365	368	395	331	4,431	8.6
	- New Supply	46,612	48,637	4,042	4,003	3,971	4,278	49,368	1.9
Groundwood and Thermo-Mech.	- Production	5,476	5,702	509	507	480	497	5,957	6.7
	- Imports	108	197	37	39	33	30	372	119.1
	- Exports	59	26	6	3	1	4	50	104.4
	- New Supply	5,525	5,872	539	543	512	523	6,279	9.6
Semi-Chemical	- Production	4,191	4,246	354	373	349	363	4,326	1.1
	- Imports								
	- Exports								
	- New Supply	4,191	4,246	354	373	349	363	4,326	1.1
MARKET WOOD PULP									
Total Market Wood Pulp	- Production	7,572	8,114	676	642	698	728	8,362	4.5
	- Imports	3,122	3,235	298	260	288	291	3,417	7.5
	- Exports	4,470	4,820	392	379	456	382	4,883	3.6
	- New Supply	6,224	6,529	582	523	530	636	6,896	6.6
Dissolving Pulp	- Production	1,251	1,308	104	99	128	117	1,324	1.6
	- Imports	212	154	20	13	10	11	201	31.5
	- Exports	718	775	62	59	79	48	746	-1.7
	- New Supply	745	687	62	53	60	79	779	11.7
Paper Grades Chemical Pulp	- Production	6,315	6,806	571	543	570	611	7,038	5.0
	- Imports	2,831	2,975	261	238	258	267	3,044	4.2
	- Exports	3,752	4,045	330	320	378	334	4,137	4.6
	- New Supply	5,394	5,736	502	461	450	544	5,945	4.9
Groundwood Pulp and All Other	- Production	5	0	0	0	0	0	0	0
	- Imports	79	106	18	9	12	13	171	61.6
	- Exports	0	0	(0)	0	(0)	(0)	(0)	0.0
	- New Supply	85	106	18	9	12	13	171	61.7

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.

FIBROUS RAW MATERIALS

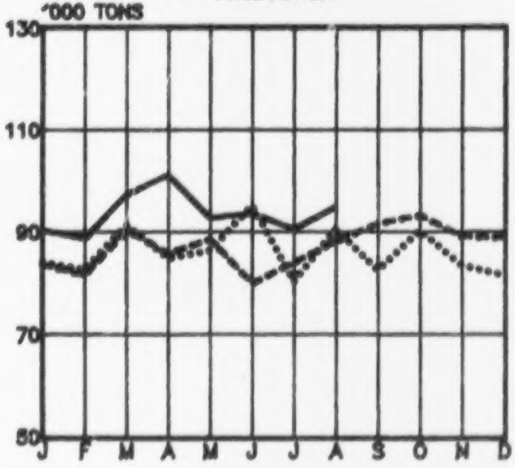
(Thousands of tons)

	YEAR 1986	YEAR 1987	APRIL 1988	MAY 1988	JUNE 1988	JULY 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
CONSUMPTION AT PAPER & PAPERBOARD MILLS				R	P	P		
Total	74,345	77,770	6,545	6,652	6,494	6,676	79,664	3.2
Total Wood Pulp	57,061	59,474	5,004	5,041	4,931	5,153	60,838	2.8
Waste Paper	17,285	18,296	1,541	1,611	1,563	1,523	18,827	4.6
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers' Own-Use Inventories	174	170	169	160	175	194	194	12.2
Producers' Market Inventories	284	224	256	243	193	236	236	-16.1
Consumers' Purchased Inventories #	496	529	532	513	534	548	548	0.8
Waste Paper at Paper & Bd. Mills	838	920	937	897	904	897	897	6.2
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	16	12	13	13	10	12	12	-20.0

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API. # Includes all grades of wood pulp.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons

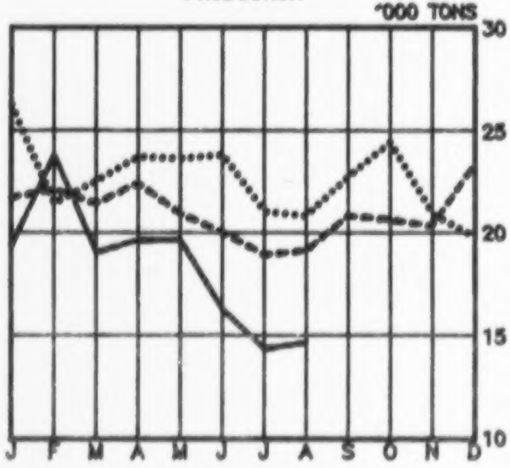
BLEACHED BRISTOLS

PRODUCTION



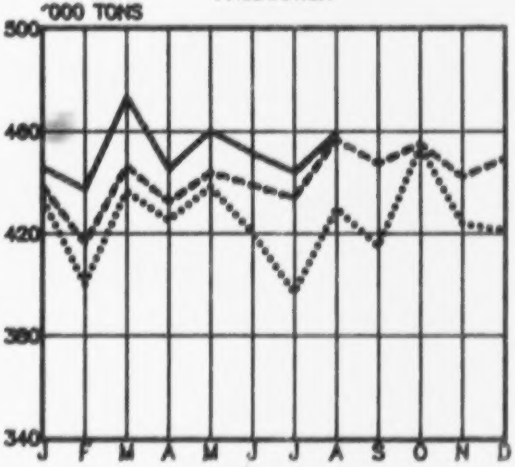
THIN PAPER

PRODUCTION



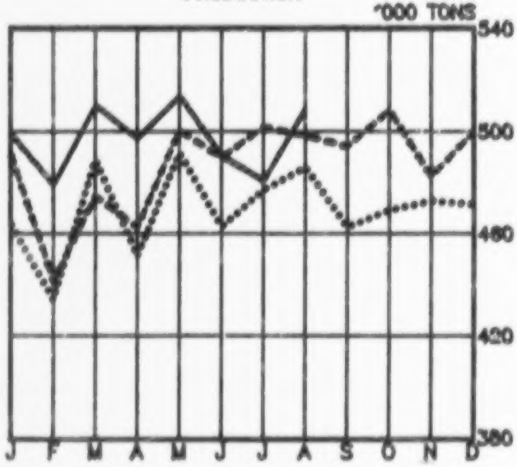
TISSUE PAPER

PRODUCTION



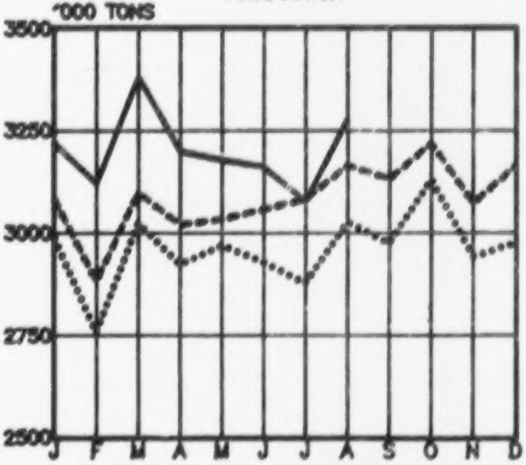
NEWSPRINT

PRODUCTION



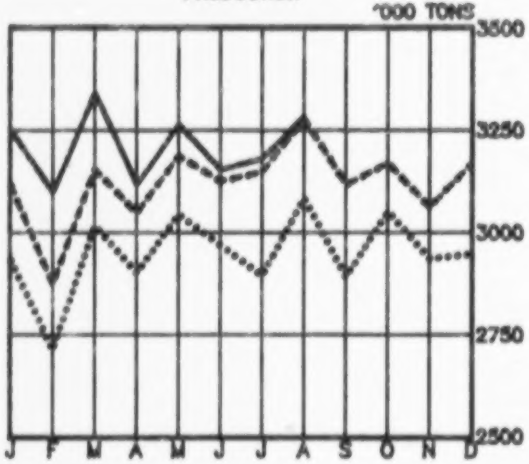
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1986 ········ 1987 - - - - - 1988 ——

FIBROUS RAW MATERIALS
(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1986	YEAR 1987	APRIL 1988	MAY 1988	JUNE 1988	JULY 1988	Annual Rate Y-T-D 1988	% Change From Same Period Last Year
PULPWOOD									
Total U.S.	- Total Receipts	90,943	94,312	7,911	7,611	7,766	7,652	94,193	0.0
	- Total Consumpt	91,434	93,946	8,137	7,650	7,689	7,901	95,301	1.4
	- Residues *	32,755	32,899	2,925	2,753	2,603	2,697	32,988	1.1
	- Inventories	4,794	5,096	4,642	4,420	4,507	4,232	4,232	-11.5
So. Atlantic	- Total Receipts	29,513	31,147	2,663	2,412	2,489	2,541	30,903	1.0
	- Total Consumpt	29,425	30,915	2,740	2,450	2,512	2,613	31,248	2.1
	- Residues *	9,343	9,553	865	785	683	800	9,742	7.1
	- Inventories	994	1,211	1,090	1,041	1,033	980	980	-4.4
Northeast	- Total Receipts	7,277	6,941	456	541	630	569	6,909	-2.6
	- Total Consumpt	7,227	7,109	660	621	582	578	7,392	1.7
	- Residues *	1,419	1,543	144	134	141	107	1,596	2.8
	- Inventories	484	594	491	402	445	430	430	-3.8
South Central	- Total Receipts	31,790	33,650	2,799	2,716	2,789	2,632	33,170	-1.5
	- Total Consumpt	32,113	33,059	2,754	2,699	2,748	2,742	33,401	1.0
	- Residues *	9,792	9,992	806	802	841	815	9,826	-4.0
	- Inventories	926	1,294	1,067	1,018	1,068	937	937	-13.9
North Central	- Total Receipts	6,571	6,552	482	563	586	557	7,059	8.9
	- Total Consumpt	6,730	6,764	588	606	582	566	7,107	5.3
	- Residues *	1,042	1,263	102	105	118	107	1,378	30.5
	- Inventories	892	830	891	818	806	802	802	-9.3
West	- Total Receipts	15,792	16,022	1,511	1,379	1,272	1,353	16,152	-1.1
	- Total Consumpt	15,939	16,099	1,395	1,274	1,265	1,402	16,152	-0.7
	- Residues *	11,159	10,548	1,008	927	820	868	10,445	-2.2
	- Inventories	1,490	1,167	1,103	1,141	1,155	1,083	1,083	-19.1

* - Consumption of Residues in Cord Equivalents. SOURCE: American Pulpwood Association 19-Sep-88

UNITED STATES TRADE WITH CANADA

IMPORTS FROM CANADA

	YEAR 1987 Tons	YEAR 1987 ($000's)	JUNE 1988 Tons	JUNE 1988 ($000)	JULY 1988 Tons	JULY 1988 ($000)	Annual Rate Y-T-D 1988 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	15,382	1,736	36	4	5,328	555	34,826	624.2
Pulpwood chips	407,147	15,250	45,268	2,451	98,480	4,192	842,877	103.5
Wood Pulp, Total	4,320,114	1,842,019	354,762	183,651	[illegible]	204,178	4,323,843	-0.9
Waste Fibrous Materials, Total	186,286	36,423	21,033	4,663	[illegible]	4,094	244,259	29.2
Paper, Board & Products, Total	10,588,047	5,093,903	881,184	480,576	885,869	479,229	10,764,503	1.2
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	10,441,472	4,845,663	869,149	459,894	874,744	460,816	10,619,381	1.3
Paper, Paperboard & Products	10,365,412	5,027,943	864,010	475,401	867,749	473,765	10,564,163	1.6
Paper & Paperboard, Only	10,218,838	4,779,702	851,975	454,719	856,624	455,351	10,419,040	1.7
Paper, Total	9,961,198	4,698,148	828,694	446,354	836,350	447,653	10,155,988	1.5
Newsprint	8,588,309	3,956,147	689,623	361,614	707,533	368,309	8,561,597	-1.4
Printing, Writing & Rel. Pap.	1,111,641	601,978	115,886	70,571	108,143	67,081	1,307,418	23.4
Pack. & Ind. Conv. Paper	215,514	102,986	18,222	9,832	17,457	9,256	232,694	7.3
Special Industrial Paper	5,478	9,844	409	817	309	594	4,527	-19.6
Tissue Paper	40,257	27,194	4,554	3,519	2,908	2,414	49,751	26.3
Paperboard, Total	257,639	81,554	23,281	8,365	20,274	7,698	263,053	7.4
Convtd Paper&Paperbd Products	146,575	248,241	12,035	20,682	11,125	18,414	145,123	-1.4
Wet Machine Board	2,890	1,977	274	195	138	102	2,978	-0.5
Construction Paper & Board	219,744	63,983	16,900	4,980	17,982	5,362	197,363	-15.3

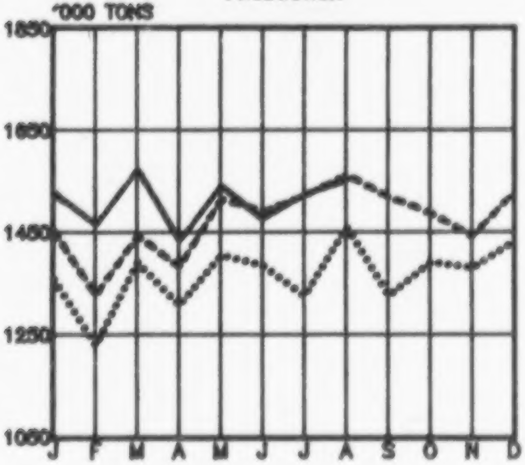
EXPORTS TO CANADA

	YEAR 1987 Tons	YEAR 1987 ($000's)	JUNE 1988 Tons	JUNE 1988 ($000)	JULY 1988 Tons	JULY 1988 ($000)	Annual Rate Y-T-D 1988 Tons	% Change From same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	12,617	770	0	0	0	0	13,215	341.5
Pulpwood chips	61,575	4,014	761	35	2,549	117	43,150	-44.7
Wood Pulp, Total	198,921	75,956	18,444	6,500	20,575	7,359	259,558	31.3
Cotton Pulp & Other Pulp	58,288	14,775	6,084	1,858	5,960	1,917	83,066	86.2
Waste Paper	286,898	30,592	25,512	2,827	27,214	3,047	309,926	14.7
Paper, Board & Products, Total	957,434	590,429	99,681	61,983	75,985	53,424	1,278,323	44.1
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	712,434	398,256	72,503	40,237	55,545	32,470	991,837	49.0
Paper, Paperboard & Products	920,755	581,481	96,366	60,590	73,788	52,640	1,245,459	46.4
Paper & Paperboard, Only	675,815	381,308	69,788	38,844	53,349	31,686	958,973	52.4
Paper, Total	297,585	250,007	26,306	24,695	22,140	20,751	351,900	19.2
Newsprint	4,525	3,728	480	459	407	407	3,896	-29.7
Printing, Writing & Rel. Pap.	151,716	125,667	13,850	13,628	12,612	11,851	172,159	18.8
Pack. & Ind. Conv. Paper	25,826	17,841	2,496	2,293	2,677	1,873	39,197	61.3
Special Industrial Paper	110,107	97,080	9,096	7,829	5,949	6,085	131,121	14.0
Tissue Paper	5,411	6,490	384	486	475	534	5,326	-1.8
Paperboard, Total	378,230	130,501	43,482	14,149	31,208	10,936	607,073	81.7
Convtd Paper&Paperbd Products	244,940	200,173	27,178	21,746	20,440	20,954	286,486	29.4
Wet Machine Board	10,212	4,828	905	363	585	224	7,198	-37.3
Construction Paper & Board	26,467	12,120	1,810	1,031	1,612	560	25,666	3.3

SOURCE: Bureau of Census, Department of Commerce . E - Estimate of tonnage based on square foot data 19-Sep-88

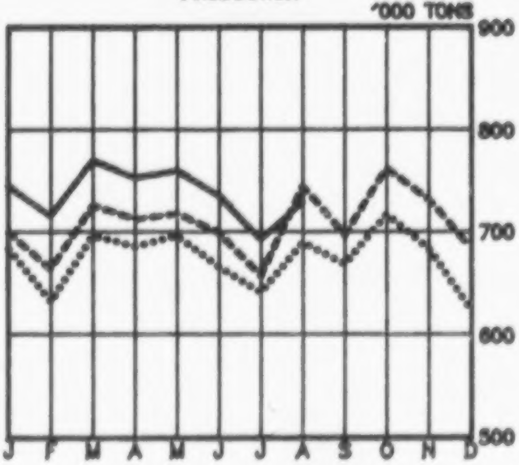
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



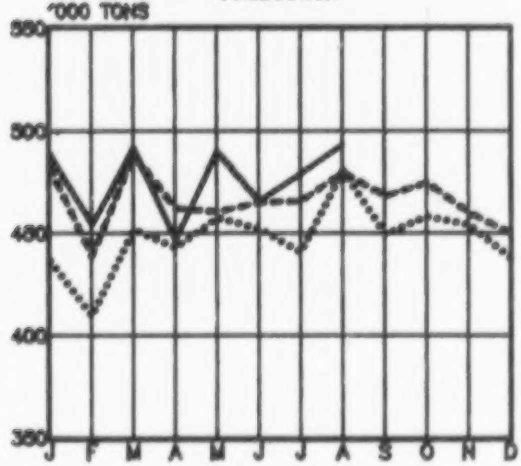
RECYCLED PAPERBOARD

PRODUCTION



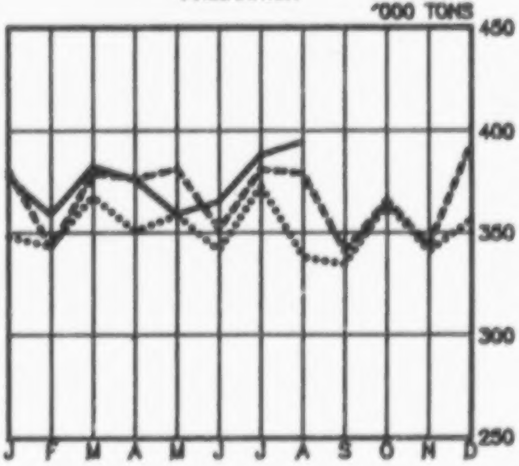
SEMICHEMICAL PAPERBOARD

PRODUCTION



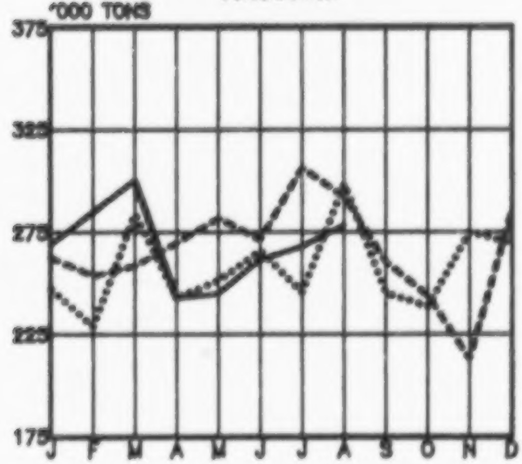
SOLID BLEACHED PAPERBOARD

PRODUCTION



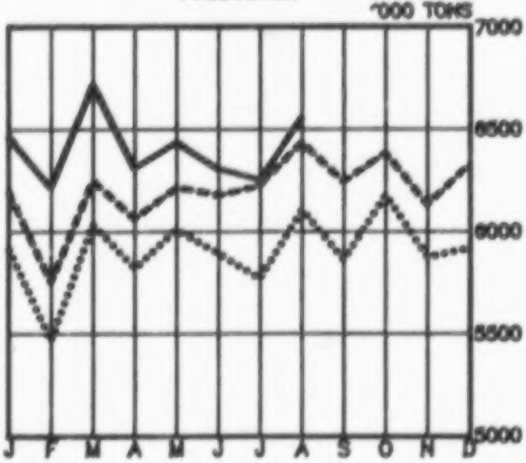
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1986 ········ 1987 ------1988 ———

PULP PAPER AND PAPERBOARD IMPORTS AND EXPORTS DATA

IMPORTS

	YEAR 1987 Tons	YEAR 1987 $000	1988 JUNE Tons	1988 JUNE $000	1988 JULY Tons	1988 JULY $000	(1) Annual Rate YTD 1988 Tons	% Change from same Period Last Year
Pulpwood Roundwood (cords)	15,432	1,746	30	5	5,320	555	34,829	611.6
Pulpwood Chips	525,629	15,476	49,720	2,539	99,072	4,214	959,406	81.5
Total All Imports	17,891,172	9,043,600	1,516,170	882,416	1,500,365	882,775	18,395,795	3.6
Wood Pulp Total	4,850,230	2,069,309	414,783	217,072	416,152	224,594	5,013,432	3.1
Waste Paper	127,390	19,231	13,302	2,101	11,000	2,221	169,600	43.3
Other Fibrous Materials	76,491	27,287	9,055	3,331	7,251	2,640	96,400	0.0
Paper Board & Products Total	12,837,046	6,927,693	1,070,150	659,112	1,075,154	653,319	13,116,267	3.4
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	12,425,486	5,995,122	1,041,825	574,459	1,038,881	570,935	12,707,509	3.6
Paper Ppbd & Prds ex Cnst&WMB	12,527,590	6,028,736	1,051,088	650,433	1,048,202	644,092	12,816,649	3.7
Paper & Paperboard Only	12,126,039	5,096,165	1,014,763	565,780	1,011,929	561,708	12,407,891	3.9
Paper Total	11,765,208	5,768,703	986,290	554,949	987,660	552,076	12,071,101	4.3
Newsprint	8,986,540	4,121,327	714,840	373,402	728,074	377,002	8,861,818	-1.8
Printing & Writing	2,410,216	1,412,458	239,331	159,951	226,000	151,394	2,813,984	29.0
Uncoated Groundwood	1,269,774	654,767	116,135	67,754	103,753	59,406	1,418,071	21.5
Coated Print.& Impreg. Pap.	674,531	467,865	69,155	53,679	71,602	55,940	774,140	32.4
Uncoated Free Sheet	417,395	249,943	49,245	34,270	45,515	32,152	559,232	49.5
Uncoated Book	210,624	119,775	21,408	14,100	22,987	15,360	240,085	18.6
Writing and Similar Paper	206,771	130,168	27,836	20,170	22,529	16,792	319,147	83.3
Thin (except Cigarette)	47,567	30,031	4,731	4,156	3,731	3,249	59,269	11.9
Bristols	950	1,052	67	91	1,400	599	3,271	250.0
Total Pkg & Other Paper	310,324	191,620	27,391	17,011	27,890	18,660	327,622	6.0
Unbleached Kraft Paper	168,420	69,020	13,431	6,414	12,666	6,027	165,759	-3.5
Other Pkg. & Indust. Paper	141,904	121,792	13,960	11,397	15,225	12,633	161,863	17.8
Tissue	58,121	43,299	4,727	3,705	5,616	4,981	67,677	16.4
Paperboard, Total	360,831	127,461	28,473	10,831	24,268	9,632	336,790	-0.4
Test or Containerboard	80,981	29,352	6,322	2,801	6,695	2,978	73,878	-6.6
Semi-Chemical Corrugating	128,636	33,898	13,874	4,266	9,560	3,080	149,388	22.1
Other Paperboard	151,214	64,211	8,278	3,764	8,013	3,574	113,525	-31.6
Convtd Paper&Paperbd Products	401,559	932,571	36,325	84,653	36,274	82,304	408,758	-2.4
Paper Products, Total	368,179	866,121	33,044	78,233	33,277	77,045	371,916	-3.1
Paperboard Products, Total	33,380	66,450	3,281	6,420	2,997	5,339	36,842	5.2
Wet machine Board	3,463	2,638	348	267	279	205	4,228	19.9
Construction Paper & Board	305,985	96,320	26,714	8,412	26,673	8,942	295,390	-8.3
Notes								
Other: No Weight Avail. ($000)		201,453		17,074		13,873	176,859	-15.5
Total Imports Incl. Other($000)		9,245,053		899,490		896,647	10,668,896	19.1

EXPORTS

	YEAR 1987 Tons	YEAR 1987 $000	1988 JUNE Tons	1988 JUNE $000	1988 JULY Tons	1988 JULY $000	(1) Annual Rate YTD 1988 Tons	% Change from same Period Last Year
Pulpwood, Roundwood (cords)	16,178	913	0	0	0	0	(1) 14,659	193.0
Pulpwood Chips	2,546,467	108,459	273,760	23,415	321,247	27,517	3,208,481	44.7
Total All Exports	14,797,437	6,007,010	1,493,032	660,416	1,337,827	579,466	16,047,893	16.6
Wood Pulp,Total	4,889,331	2,259,377	497,070	266,006	391,012	216,087	5,314,360	9.4
Cotton Pulp and Other Pulp	182,001	91,365	14,730	9,190	15,693	8,760	209,674	31.6
Waste and Old Paper	4,422,139	953,348	490,516	62,814	490,655	58,397	5,469,300	30.9
Paper, Board & Products,Total	5,303,966	3,103,720	490,700	322,399	439,667	295,501	5,854,550	11.5
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board	4,578,770	2,280,329	416,884	234,374	377,823	213,327	5,040,254	10.4
Paper, Ppbd & Prod ex Cnst&WMB	5,196,613	3,044,506	473,756	311,964	430,671	290,655	5,718,052	11.1
Paper & Paperboard, Only	4,471,418	2,221,107	399,940	223,939	368,827	208,481	4,903,756	9.9
Paper, Total	921,397	776,181	83,425	80,301	82,070	75,720	1,056,790	16.6
Newsprint	339,773	210,093	32,775	22,635	36,820	25,187	355,346	2.8
Printing & Writing	249,092	242,639	23,420	26,143	20,213	22,467	284,379	22.3
Uncoated Groundwood	55,841	39,750	5,726	4,894	4,291	3,587	65,786	30.5
Clay Coated Paper	100,839	72,145	7,981	6,500	6,492	4,936	102,340	6.9
Uncoated Free Sheet	67,850	99,330	6,795	10,095	6,514	10,181	81,106	29.6
Other Printing & Writing	24,554	31,414	2,926	4,655	2,917	3,762	35,139	31.4
Total Pkg. & Other Paper	294,201	292,659	25,265	28,606	23,271	25,801	351,919	21.0
Unbleached Kraft	89,194	40,758	8,098	3,961	8,063	3,859	100,432	16.4
Other Pkg. & Indust. Paper	205,007	251,901	17,167	24,645	15,208	21,942	251,487	23.0
Tissue	38,332	30,790	1,956	2,918	1,767	2,274	59,147	83.0
Paperboard, Total	3,550,021	1,444,926	316,515	143,638	286,757	132,753	3,852,966	8.2
Solid Wood Pulp	3,218,952	1,321,618	290,289	131,284	266,388	121,977	3,558,292	9.1
Total Linerboard	2,296,633	812,161	181,276	74,003	179,881	71,202	2,280,448	-1.0
Bleached Kraft Linerboard	102,266	46,429	6,230	4,312	12,022	6,076	141,771	97.6
Unbleached Kraft Linerbd	2,194,367	765,731	175,045	69,691	167,859	65,126	2,138,677	-5.0
Other Unbleached Kraft	218,566	78,596	38,897	10,718	25,511	8,695	511,711	133.6
Other Bleached Kraft	647,803	407,923	67,196	45,346	59,573	41,460	718,840	12.0
Semi-Chemical Corrugating	63,951	22,938	2,920	1,225	1,423	613	47,294	-40.5
Recycled Paperboard	331,069	123,308	26,227	12,354	20,369	10,775	294,674	-0.8
Convtd Paper&Paperbd Products	725,196	823,399	73,816	88,025	61,844	82,174	814,296	10.6
Paper Products, Total	301,202	540,681	29,373	56,989	[illegible]	51,582	352,713	20.9
Paperboard Products, Total	423,994	282,718	44,443	31,037	34,993	30,592	461,583	16.8
Wet Machine Board	17,328	7,816	1,172	522	[illegible]	349	12,440	-38.6
Construction Paper & Board E	70,024	51,405	15,772	9,912	8,174	4,306	124,058	46.3
Notes								
Other: No Weight Avail. ($000)		8,037		938		763	8,866	13.2
Total Exports Incl. Other($000)		6,015,855		661,355		580,228	7,283,625	24.5

SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description.

PRODUCER PRICE INDEXES

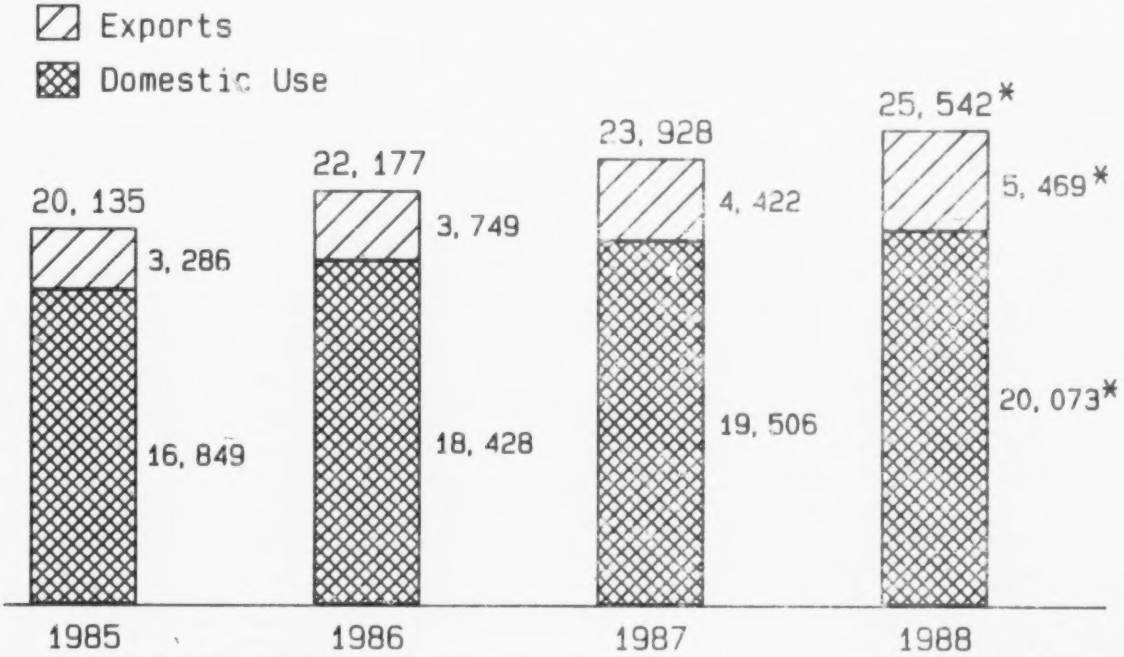
1982 = 100

	1986	1987	MAY 1988	JUNE 1988	JULY 1988	AUGUST 1988	Annual Rate Y-T-D 1988	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	107.5	114.3	124.1	124.8	125.6	126.3	140.7	8.7
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	106.9	113.2	123.1	123.8	124.6	125.3	139.4	8.7
Total Wood Pulp	94.7	111.5	137.2	140.1	138.3	141.0	152.6	21.6
Total Paper	107.0	111.5	122.0	122.3	123.6	124.7	138.6	9.6
Total Paper, exc. Newsprint	107.9	110.6	121.8	121.9	123.9	125.4	138.3	10.2
Newsprint	103.3	112.3	127.5	127.5	127.4	127.3	145.8	17.0
Total Paperboard	106.5	118.1	133.1	134.0	134.3	134.5	150.4	13.5
Total Paper and Paperboard *	106.8	113.6	125.5	126.0	127.0	127.8	142.3	10.9
Converted Products	109.4	114.7	122.0	122.7	123.6	124.2	138.6	6.4
Waste Paper	142.6	181.4	184.5	183.9	185.3	185.4	215.5	6.9
All Commodities	100.2	102.8	106.5	107.4	107.8	108.0	121.4	3.9
Industrial Commodities	100.0	102.6	106.1	106.5	106.7	107.1	120.8	3.8

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

DEMAND FOR U.S. WASTE PAPER

(Thousand Tons)



Domestic includes waste paper used at construction paper and board mills and by molded pulp producers.

* Annual rate 7 months data

FIBROUS MATERIALS

Market Pulp: Strong demand, high operating rates, and lean inventories have characterized the U.S. market pulp industry's operating environment this year. Capacity utilization rates for U.S. producers of chemical grade market pulp averaged 100% during the first eight months of 1988 and cumulative shipments through August of 1988 exceeded their year-ago volume by 5%.

U.S. shipments of chemical paper grade market pulp to the domestic market exceeded their year-ago volume by 4.1% during the first eight months of 1987. Shipments to Japan gained 25.3%, while shipments to Western Europe were up just 1% and shipments to Latin America were off 15.6%. U.S. inventories of chemical grade market pulp amounted to 12 days of supply at the end of August, the same number of days of supply on hand at the end of July, and at the beginning of the year.

Total North American and Nordic chemical grade market pulp shipments ran ahead of their year-ago volume by 2.4% through during the first eight months of 1988. Utilization rates for the combined capacity of these producers averaged 99%. Combined inventories of chemical grade market pulp held by North American and Nordic producers amounted 17 days of supply at the end of August, up from 16 days of supply at the end of July, but still low by historical standards.

Waste Paper Collection: Demand for U.S. waste paper has also been strong during recent years and the collection rate has increased. Specifically, the recovery rate for recyclable paper -- i.e., total waste paper recovered as a percentage of new supply of paper and paperboard -- pushed up from 26.3% in 1985 to 28.5% in 1987. It subsequently averaged 29.5% during the first seven months of this year, representing the highest level in recent history.

Strong export demand was one of the chief factors behind the recent pickup in waste paper collections. U.S. exports of waste paper surged 14.1% in 1986 and another 18.0% last year, bringing the 1987 total to 4.4 million tons. During the first seven months of 1988, waste paper exports averaged 5.5 million tons a year and were up 31% relative to their year-ago volume. Domestic consumption of recyclable paper and paperboard has also been trending up. It rose 9.4% in 1986 and 5.9% in 1987. At an average pace of 20 million tons a year (including usage in the construction grades), recyclable paper and paperboard consumption exceeded its year-ago volume by 4.6% during the first seven months of 1988. The graph on page 10 profiles recent waste paper usage patterns.

FASTER GROWTH IN U.S. MANUFACTURING PRODUCTIVITY

Productivity growth in U.S. manufacturing industries accelerated during the 1980's, according to data compiled by the Bureau of Labor Statistics. In particular, output per manhour in U.S. manufacturing industries rose at an average rate of 3.9% a year between 1980 and 1987. That rate of gain compares favorably with the 2.7% average annual ~~pace of~~ productivity growth witnessed during the 1960's and the sluggish 2.3% a year pace of the 1970's.

Gains in U.S. manufacturing productivity during the 1980's also compare favorably with rates of increase reported for several other leading industrial nations, including some of the largest exporters of paper and paperboard. For example, manufacturing productivity in the Canadian economy grew at an average rate of 3.1% a year between 1980 and 1987, while manufacturers in Sweden and Norway increased their productivity at average annual rates of 3.1% and 3.4%, respectively. As is shown by the accompanying table, three major industrial nations registered faster productivity growth than the U.S. during the 1980-87 period: the U.K. (5.5%); Japan (4.8%); and Italy (4.5%).

Unit labor costs, which take account of wage rates as well as productivity, are another important measure of a nation's competitiveness. Unit labor costs in U.S. manufacturing industries increased 49% between 1977 and 1982, but owing to slower wage increases and faster productivity growth, declined 6% from 1982 to 1987. Measured in terms of U.S. dollars, manufacturing unit labor costs in most other industrial nations have risen significantly during the past few years. The rapid increases mainly reflected the dollar's sharp decline relative to most other major trading currencies since early 1985. For instance, stated in terms of U.S. dollars, unit labor costs in Japanese manufacturing industries rose 66% between 1985 and 1987. Over the same period, they increased 51% in Sweden, 53% in Norway, and 10% in Canada.

OUTPUT PER MANHOUR IN MANUFACTURING
(average annual growth)

	1969-79	1980-87
U.K.	2.7%	5.5%
Japan	7.2	4.8
Italy	4.8	4.5
U.S.	2.3	3.9
France	5.2	3.6
Norway	3.0	3.4
Sweden	3.7	3.1
Canada	2.9	3.1
Germany	4.6	2.9

Source: U.S. Bureau of Labor Statistics

A2500-2

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

September 28, 1988

PRODUCTION (000 TONS)

*	* AUGUST 1988	* JULY 1988	* AUGUST 1987	* FIRST EIGHT MONTHS 1988	* FIRST EIGHT MONTHS 1987	% CHANGE YR TO DATE 1988/1987
PAPER GRADES						
Newsprint	509	481	498	3,978	3,858	3.1
Printing & Writing	1,880	1,747	1,792	14,565	13,682	6.4
Uncoated Groundwood (s)	149	134	127	1,060	1,014	4.5
Coated Paper (s)	644	594	595	4,947	4,495	10.1
Uncoated Free Sheet Paper (s)	966	903	950	7,555	7,215	4.7
Thin Paper (s)	15	14	19	147	166	-12.0
Cotton Fiber Paper (s)	12	12	14	107	109	-1.6
Bleached Bristols (s)	95	90	88	748	682	9.8
Tissue Paper	460	451	457	3,636	3,507	3.7
Total Pkg & Other Paper	429	404	416	3,440	3,362	2.3
Unbl. Kraft Paper (s)	248	236	249	1,996	2,053	-2.8
Other Paper	180	169	167	1,444	1,310	10.3
TOTAL PAPER	3,278	3,082	3,163	25,619	24,409	5.0
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,666	1,619	1,672	12,958	12,576	3.0
Unbleached Kraft Linerboard	1,552	1,511	1,562	12,100	11,702	3.4
Other Unbl. Kraft Paperboard	114	108	109	859	874	-1.8
Semichemical Paperboard	494	480	480	3,812	3,745	1.8
Bleached Paperboard	395	389	380	3,007	2,976	1.1
Recycled Paperboard	730	694	746	5,909	5,628	5.0
TOTAL PAPERBOARD	3,285	3,181	3,277	25,686	24,925	3.1
TOTAL PAPER AND PAPERBOARD	6,563	6,263	6,440	51,305	49,334	4.0

WOOD PULP (ALL GRADES)	JULY 1988	JUNE 1988	JULY 1987	FIRST SEVEN MONTHS 1988	FIRST SEVEN MONTHS 1987	% Change 88/87
Dissolving & Special Alpha	117	117	123	762	763	-0.2
Bleached Sulfite) Unbleached Sulfite)	131	129	116	898	823	9.0
Bleached & Semi-Bl. Sulfate	2,273	2,135	2,185	15,282	14,778	3.4
Unbleached Sulfate	1,830	1,739	1,845	12,630	12,419	1.7
Semichemical	363	349	364	2,523	2,496	1.1
Groundwood & Thermomechanical	497	480	483	3,475	3,256	6.7
TOTAL PULP DIVISION DATA	5,212	4,949	5,115	35,570	34,535	3.0

(s) - Shipments
P - Preliminary

SEPTEMBER 28, 1988

	Full Year		INDUSTRY DATA 1987 - 1988			Ann. Rate Year - To - Date	% From Same Pd. Last Year
				R	P		
PAPER AND PAPERBOARD -- Tons (000)	1986	1987	June	July	August	1988	
Total Production (API).......: excluding :...	70,889	74,429	6,313	6,263	6,563	76,957	4.0
Total Seasonally Adjusted....:construction:...			6,373	6,372	6,372	76,418	3.6
Imports (including Products).: and wet :..E	11,597	12,528	1,051	1,048	1,060	12,805	3.9
Exports (including Products).: machine :..E	4,593	5,197	474	431	440	5,663	8.2
Apparent Consumption.........: grades :...	77,893 a	81,760 b	6,951	6,990	6,992	83,560 c	3.3
Paper Production % Tonnage Capacity...........	93.2 g	94.0	95.4	90.2	95.3	95.9	-
Paperboard Production % Tonnage Capacity......	94.3 g	96.8	97.4	95.3	97.4	97.9	-
			May	June	July		
IMPORTS.....:Including Construction and :...	11,936	12,837	1,123	1,078	1,075	13,116	3.4
EXPORTS.....: WMB Grades (excl. HPB) :...	4,687	5,304	464	491	440	5,855	11.5
			May	June	July		
MARKET WOOD PULP PRODUCTION - Tons (000).........	7,572	8,114	642	698	728	8,362	4.5
TOTAL WOOD PULP PRODUCTION - Tons (000)..........	57,005	59,552	4,991	4,949	5,212	60,977	3.0
WOOD PULP IMPORTS - TONS (000)..................	4,582	4,850	415	415	416	5,013	3.1
WOOD PULP EXPORTS - TONS (000)..................	4,458	4,889	433	497	392	5,314	9.4
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			May	June	July		
Wood Pulp.............:consumption for:.....	57,061	59,475	5,041	4,931	5,153	60,838	2.8
Waste Paper...........:construction & :.....	17,285	18,296	1,611	1,563	1,523	18,827	4.6
TOTAL..........: WMB grades :.....	74,345	77,770	6,652	6,494	6,676	79,665	3.2
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	91,434	93,946	7,650	7,689	7,901	95,301	1.4
EMPLOYMENT (000)			June	July	August		
Paper and Allied Products..........Total......	673.7	679.0	697.2	692.1	695.6	688.0	1.7
Pulp, Paper and Board Mills........Total.....E	248.1	244.9	250.0	247.5	249.5	246.1	0.3
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)			June	July	August		
Paper and Allied Products......................	11.18	11.42	11.65	11.73	11.64	11.60	2.1
Pulp, Paper Mills............................E	13.63	14.00	14.32	14.40	14.40	14.22	2.3
Paperboard Mills.............................E	13.98	14.30	14.34	14.40	14.40	14.40	1.3
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1987 Q4	1988 Q1	1988 Q2		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	8.77	9.01	9.86	9.96	11.09	11.09 Y	23.1
INDEX OF OUTPUT PER MAN-HOUR (1977=100)..........			June	July	August		
:IN PULP, PAPER :...Production Workers...........	131.2	140.0	141.8	145.2	143.4	144.0	3.0
:AND BOARD MILLS:...All Employees................	128.6	136.7	138.8	140.9	139.1	140.4	3.1
PAPER AND ALLIED PRODUCTS (Million $)			May	June	July		
Industry Shipments (Dept. of Commerce)*........	103,916	118,855	10,280	10,356	10,491	127,191	10.3
Pulp, Paper and Paperboard*..................	44,033	51,518	4,525	4,547	4,699	57,151	15.3
Inventories (End of Period) - Total Industry*..	10,429	11,284	11,390	11,436	11,513	11,513	5.4
Pulp, Paper and Paperboard*..................	4,115	4,266	3,957	3,978	4,009	4,009	-3.2
			1987 Q4	1988 Q1	1988 Q2		
Sales (Corporations Only)......................	74,844	95,576 RS	25,088	25,504	27,227	105,462	15.2
Earnings (Corporations Only)...................	3,280	5,520 RS	1,495	1,744	2,195	7,878	61.5
Depreciation (Corporations Only)...............	3,389	4,279 RS	1,051	1,169	1,124	4,586	8.2
Net Worth (Corporations Only)..................	31,221	39,217 RS	39,217	40,213	41,621	41,621	13.1
PRICE INDEXES (Bureau of Labor Stats)1982=100			June	July	August		
Pulp, Paper & Products, ex. Building Grades....	107.5	114.3	124.8	125.6	126.3	123.1	8.8
Wood Pulp......................................	94.7	111.6	140.1	138.3	141.0	133.5	22.1
Waste Paper....................................	142.6	181.4	183.9	185.3	185.4	188.4	5.7
Paper..	107.0	111.5	122.3	123.6	124.7	121.3	9.8
Paperboard.....................................	106.5	118.1	134.0	134.3	134.5	131.6	13.4
PAPER DEMAND (INDEXED: 1977=100)			June	July	August		
Total Paper Production *.......................	128.0	133.8	138.9	139.2	139.5	138.5	4.5
Paper New Supply *.............................	133.7	140.6	144.7	145.1	145.5	144.8	4.2
Demand Indicators - (Weighted Average) *.....	146.4	154.5	162.4	163.3	163.6	161.6	5.6
Production of Nondurable Goods *...(21.2%).	130.1	136.8	142.7	144.1	144.2	142.5	5.1
Disposable Income ....*.(23.9%)	127.8	130.0	134.9	135.4	134.9	134.1	3.7
Total Printing and Publishing *...(54.9%).	160.9	172.0	182.0	182.9	183.5	180.9	6.3
Trend Factor				Not Available			
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *..................	121.9	129.1	131.2	130.9	130.6	131.4	2.6
Production for Domestic Use	118.7	126.5	128.4	128.5	127.1	128.4	2.7
Demand Indicators - (Weighted Average) *.....	121.9	125.9	131.7	132.9	133.2	131.1	5.0
Production of Consumer Goods *...(62.06%)	124.1	127.7	133.0	133.7	134.0	132.4	4.1
Production of Equipment *...(5.75%)	143.7	148.8	158.7	159.5	159.7	157.2	6.9
Production of Materials *...(32.19%)	113.8	118.3	124.4	126.5	126.9	124.1	6.5
Trend Factor				Not Available			
NEWSPRINT MARKETS			May	June	July		
Consumption by Publishers - Tons (000).........	13,158	13,583	1,166	1,099	1,074	15,168	16.0
Newspaper Pub. and Printing Empl. Total(000)...	461	471	476	479	478	476	2.0
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (PIB, Inc.)...........	154,317	161,131	15,065	12,891	9,451	173,826	14.3
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	38,245	44,741	4,072	4,496	4,122	50,249	-20.0
Inventories (End of Period).	3,577	3,850	3,999	4,138	4,217	4,217	18.0
FIBRE BOX DATA (Fibre Box Association)			June	July	August		
Fibre Box Shipments (Million square feet).......	283,921	297,827	25,840	24,475	26,878	307,557	3.7
Container'bd Inventory at Mill & Plant(000Tons).	2,238	2,486	2,617	2,724	2,741	2,741	13.2
RETAIL TRADE (Billion $)			June	July	August		
Total Retail Sales *.........................	1,437	1,509	134	134	133	1,585	5.9
Nondurable Goods Stores Sales *...............	899	951	83	83	84	984	4.1
GENERAL ECONOMIC DATA			June	July	August		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	125.1	129.8	136.5	137.9	138.2	136.0	5.9
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1982=100).	100.2	102.8	107.4	107.8	108.0	106.2	3.9
CONSUMER PRICES (ALL ITEMS) (INDEX 1982-4=100)...	109.6	113.6	118.0	118.5	119.0	117.3	4.0
			May	June	July		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	586	624	632.3	641.2	645.6	645.6	9.0
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..			1987 Q4	1988 Q1	1988 Q2		
G.N.P. or Expenditure - Current $..............	4,240	4,527	4,663	4,725	4,824	4,774	7.6
G.N.P. or Expenditure - 1982 $.................	3,722	3,847	3,923	3,956	3,985	3,971	4.5

lb/capita				
	Pap&Papbd	Othr	Totl	Popul(mil)
.a	645 +	18 =	663	241.6
.b	670 +	17 =	687	243.9
.c	681 +	17 =	698	245.5

.e - estimated by API

f - Wood Pulp Production excludes def., explo. & scrngs.

g - Adjusted for holiday shutdowns

Q - Quarter

R - Revised

Y - Full year estim. by U.S. Dept. of Com.

* - Seasonally Adjusted.